

**Missouri Senate  
Appropriations Committee**

**2001  
ANNUAL FISCAL REPORT  
Fiscal Year 2002**

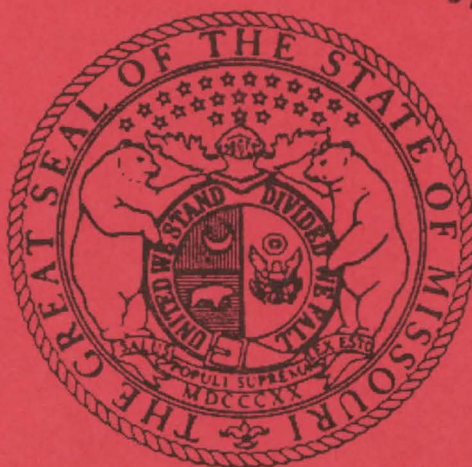
**91<sup>st</sup> General Assembly  
1<sup>st</sup> Regular Session**

**Peter Kinder  
President Pro Tem**

**John T. Russell  
Appropriations Committee Chair**

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OCT 15 2001



*Prepared by  
Senate Appropriations Staff*

August 31, 2001

TO ALL SENATORS AND SENATE STAFF:

The Annual Fiscal Report contains information about recent trends in Missouri state finances, describes the actions taken by the Committee on Appropriations in 2001, and summarizes a variety of budgetary items of topical interest. It reviews the history of capital improvement appropriations, presents the FY 2002 revenue estimate, identifies major FY 2002 budget initiatives and describes how lottery and gaming proceeds are distributed. The review ranks personal income and state government per capita revenue in comparison to other states. The review also contains an analysis of tax credits and ranks Missouri's highway funding relative to other states.

The adoption of a budget is one of the most important tasks undertaken by the General Assembly each year. The Missouri Constitution grants an important responsibility to the General Assembly to review state programs, to assess spending priorities and to direct future spending through the appropriation bills. Your Committee takes this responsibility seriously. In 2001, the Committee met on forty-three of the seventy-six days of the session.

I hope that you find this document useful. Your Senate Appropriations staff compiled the information contained in this report. If you have any suggestions for additions or if you want to see other changes, please contact me or the staff at (573) 751-2893.

Sincerely,



JOHN T. RUSSELL

JR:rb



# 2001 ANNUAL FISCAL REPORT

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## PREFACE

The Senate Appropriations Committee is pleased to present this Annual Fiscal Report. It is designed to provide legislators, legislative and departmental staff, and the public detailed information about the appropriations and budget process during the 91<sup>st</sup> General Assembly, 1<sup>st</sup> Regular Session (2001) as well as information about fiscal and budget issues in previous years.

The Report is divided into three major sections. The Missouri State Finances Section (Section I) presents details of Missouri's \$19.2 billion operating budget for Fiscal Year 2002. This section includes appropriation bill totals for operating and capital improvements. In addition, this section contains information identifying major budget increases, a veto summary, the current fiscal year general revenue estimate, a fiscal impact summary for legislation enacted in 2001 and the history of capital improvements appropriations. This section concludes with an estimate of the General Revenue Fund balance, including revenues, expenditures, and transfers for FY 2002.

Topics of Interest (Section II) provides information about a wide variety of subjects of current interest. This section contains information relating to the court ordered desegregation expenditures, gaming and bingo proceeds, the tobacco settlement, the highway fund cap, tax credits, and other items of interest.

The General Information Section (Section III) provides the names of the members of the Senate, the structure of the Missouri Senate Appropriations Committee and staff, a budget process overview and a calendar of appropriation events for the completion of the FY 2002 budget.

We hope that the Annual Fiscal Report will provide the reader with a wide range of interesting topics regarding the Missouri state budget and finances for Fiscal Year 2002 (July 1, 2001 – June 30, 2002). If you have any comments or suggestions please send them to Robin Butler, Senate Appropriations Committee Staff, Rm. B-8, State Capitol Building, fax them to (573) 751-4778 or e-mail her at [rbutler@senate.state.mo.us](mailto:rbutler@senate.state.mo.us).



# **Section I**

## **Missouri State Finances**

## FY 2002 OPERATING BUDGET SUMMARY

7/2/01

House Bill	Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>1</b>	<b><u>Public Debt</u></b>					
General Revenue	\$ 107,854,037	\$ 110,063,279	\$ 110,063,279	\$ 110,063,279	\$ 110,063,279	\$ 110,063,279
Federal Funds	0	0	0	0	0	0
Other Funds	0	0	0	0	0	0
Total	\$ 107,854,037	\$ 110,063,279	\$ 110,063,279	\$ 110,063,279	\$ 110,063,279	\$ 110,063,279
<b>2</b>	<b><u>Elementary and Secondary Education</u></b>					
General Revenue	\$ 2,380,183,337	\$ 2,470,248,813	\$ 2,466,032,751	\$ 2,448,985,899	\$ 2,453,841,627	\$ 2,452,741,627
Federal Funds	680,555,780	793,057,581	793,057,581	774,117,323	783,638,904	783,638,904
Other Funds	1,179,196,561	1,190,711,268	1,192,191,752	1,190,588,148	1,193,396,648	1,193,396,648
Total	\$ 4,239,935,678	\$ 4,454,017,662	\$ 4,451,282,084	\$ 4,413,691,370	\$ 4,430,877,179	\$ 4,429,777,179
<b>3</b>	<b><u>Higher Education</u></b>					
General Revenue	\$ 960,430,936	\$ 978,736,489	\$ 981,031,367	\$ 976,277,778	\$ 979,128,985	\$ 975,672,485
Federal Funds	5,288,079	4,780,047	4,780,047	4,305,047	4,305,047	4,305,047
Other Funds	176,206,345	184,520,491	184,520,491	170,520,490	170,520,490	170,520,490
Total	\$ 1,141,925,360	\$ 1,168,037,027	\$ 1,170,331,905	\$ 1,151,103,315	\$ 1,153,954,522	\$ 1,150,498,022
<b>4</b>	<b><u>Revenue</u></b>					
General Revenue	\$ 830,885,385	\$ 1,141,049,833	\$ 1,141,049,833	\$ 1,141,049,833	\$ 1,141,049,833	\$ 1,141,049,833
Federal Funds	633,503	2,530,953	2,530,953	2,530,953	2,530,953	2,530,953
Other Funds	409,279,672	414,376,684	412,896,200	414,376,684	412,896,200	412,896,200
Total	\$ 1,240,798,560	\$ 1,557,957,470	\$ 1,556,476,986	\$ 1,557,957,470	\$ 1,556,476,986	\$ 1,556,476,986
<b>4</b>	<b><u>Transportation</u></b>					
General Revenue	\$ 18,098,369	\$ 17,697,320	\$ 17,950,014	\$ 17,730,014	\$ 17,750,014	\$ 17,230,184
Federal Funds	30,821,567	36,172,785	37,089,122	36,289,122	36,289,122	36,261,496
Other Funds	1,397,140,324	2,139,421,088	2,139,873,319	2,140,473,319	2,139,873,319	2,139,873,319
Total	\$ 1,446,060,260	\$ 2,193,291,193	\$ 2,194,912,455	\$ 2,194,492,455	\$ 2,193,912,455	\$ 2,193,364,999
<b>5</b>	<b><u>Office of Administration</u></b>					
General Revenue	\$ 504,013,682	\$ 560,726,637	\$ 549,214,017	\$ 561,807,845	\$ 557,544,199	\$ 557,402,226
Federal Funds	95,071,701	107,993,127	107,993,127	108,850,728	108,815,728	108,815,728
Other Funds	103,097,318	115,116,964	115,116,964	116,135,120	114,173,670	114,173,670
Total	\$ 702,182,701	\$ 783,836,728	\$ 772,324,108	\$ 786,793,693	\$ 780,533,597	\$ 780,391,624

BRASS Executive Budget Totals



# FY 2002 OPERATING BUDGET SUMMARY

7/2/01

House Bill		Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
6	<b><u>Agriculture</u></b>						
	General Revenue	\$ 14,715,758	\$ 15,089,514	\$ 15,706,355	\$ 16,059,855	\$ 15,959,855	\$ 15,333,314
	Federal Funds	1,521,705	1,656,235	1,656,235	1,656,235	1,656,235	1,656,235
	Other Funds	13,046,134	16,057,942	16,057,942	16,040,634	16,065,634	16,065,634
	Total	\$ 29,283,597	\$ 32,803,691	\$ 33,420,532	\$ 33,756,724	\$ 33,681,724	\$ 33,055,183
6	<b><u>Natural Resources</u></b>						
	General Revenue	\$ 25,935,374	\$ 22,581,308	\$ 23,407,579	\$ 19,319,233	\$ 21,963,167	\$ 21,857,014
	Federal Funds	40,513,367	37,016,124	37,016,124	37,016,124	37,016,124	37,016,124
	Other Funds	252,341,504	254,857,266	254,659,714	280,922,273	280,274,721	280,274,721
	Total	\$ 318,790,245	\$ 314,454,698	\$ 315,083,417	\$ 337,257,630	\$ 339,254,012	\$ 339,147,859
6	<b><u>Conservation</u></b>						
	General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Federal Funds	0	0	0	0	0	0
	Other Funds	121,748,965	125,071,345	125,071,345	125,071,345	125,071,345	125,071,345
	Total	\$ 121,748,965	\$ 125,071,345	\$ 125,071,345	\$ 125,071,345	\$ 125,071,345	\$ 125,071,345
7	<b><u>Economic Development</u></b>						
	General Revenue	\$ 71,886,872	\$ 66,174,239	\$ 66,432,780	\$ 66,327,817	\$ 64,598,791	\$ 63,581,724
	Federal Funds	135,766,575	146,948,833	146,948,833	142,648,833	142,648,833	142,648,833
	Other Funds	75,234,256	73,219,189	73,919,189	75,519,189	76,019,189	76,019,189
	Total	\$ 282,887,703	\$ 286,342,261	\$ 287,300,802	\$ 284,495,839	\$ 283,266,813	\$ 282,249,746
7	<b><u>Insurance</u></b>						
	General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Federal Funds	400,000	400,000	400,000	400,000	400,000	400,000
	Other Funds	13,335,396	13,654,921	13,654,921	13,364,991	13,420,847	13,420,847
	Total	\$ 13,735,396	\$ 14,054,921	\$ 14,054,921	\$ 13,764,991	\$ 13,820,847	\$ 13,820,847
7	<b><u>Labor and Industrial Relations</u></b>						
	General Revenue	\$ 5,440,285	\$ 4,933,418	\$ 4,933,418	\$ 4,938,418	\$ 4,998,418	\$ 4,958,418
	Federal Funds	61,626,116	68,257,282	68,310,662	67,775,663	67,875,663	67,875,663
	Other Funds	48,423,656	51,040,385	51,159,843	50,912,336	51,040,384	51,040,384
	Total	\$ 115,490,057	\$ 124,231,085	\$ 124,403,923	\$ 123,626,417	\$ 123,914,465	\$ 123,874,465

## FY 2002 OPERATING BUDGET SUMMARY

7/2/01

House Bill	Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>8 Public Safety</b>						
General Revenue	\$ 54,428,420	\$ 53,923,466	\$ 48,863,000	\$ 51,863,466	\$ 50,997,577	\$ 50,879,612
Federal Funds	77,727,654	88,604,040	85,778,316	85,140,636	85,190,636	85,140,636
Other Funds	188,026,866	203,000,947	203,300,947	203,686,861	203,086,861	203,086,861
Total	\$ 320,182,940	\$ 345,528,453	\$ 337,942,263	\$ 340,690,963	\$ 339,275,074	\$ 339,107,109
<b>9 Corrections</b>						
General Revenue	\$ 445,771,690	\$ 480,281,450	\$ 482,496,370	\$ 486,950,799	\$ 484,636,217	\$ 482,507,741
Federal Funds	9,350,000	5,629,126	6,660,949	5,660,949	6,660,949	6,660,949
Other Funds	45,591,189	42,827,457	42,827,457	42,827,457	42,827,457	42,827,457
Total	\$ 500,712,879	\$ 528,738,033	\$ 531,984,776	\$ 535,439,205	\$ 534,124,623	\$ 531,996,147
<b>10 Mental Health</b>						
General Revenue	\$ 554,976,829	\$ 552,672,941	\$ 567,247,469	\$ 548,738,900	\$ 562,042,472	\$ 561,040,472
Federal Funds	98,238,146	109,864,101	109,865,253	109,864,101	109,865,253	109,865,253
Other Funds	22,280,586	22,283,700	22,283,700	22,283,700	22,283,700	22,283,700
Total	\$ 675,495,561	\$ 684,820,742	\$ 699,396,422	\$ 680,886,701	\$ 694,191,425	\$ 693,189,425
<b>10 Health</b>						
General Revenue	\$ 64,067,553	\$ 60,452,843	\$ 61,304,918	\$ 60,562,918	\$ 61,204,918	\$ 60,968,918
Federal Funds	244,898,478	250,431,096	250,431,096	252,431,096	252,431,096	252,431,096
Other Funds	17,370,767	20,583,332	20,583,332	20,627,730	20,627,730	20,627,730
Total	\$ 326,336,798	\$ 331,467,271	\$ 332,319,346	\$ 333,621,744	\$ 334,263,744	\$ 334,027,744
<b>11 Social Services</b>						
General Revenue	\$ 1,173,686,719	\$ 1,265,597,055	\$ 1,268,557,052	\$ 1,241,547,104	\$ 1,274,879,681	\$ 1,260,046,384
Federal Funds	3,290,350,753	3,585,972,349	3,590,406,326	3,772,531,578	3,793,332,121	3,785,578,651
Other Funds	243,825,560	344,253,213	446,519,768	542,799,833	571,530,570	569,755,570
Total	\$ 4,707,863,032	\$ 5,195,822,617	\$ 5,305,483,146	\$ 5,556,878,515	\$ 5,639,742,372	\$ 5,615,380,605
<b>12 Elected Officials</b>						
General Revenue	\$ 46,007,719	\$ 45,740,542	\$ 46,277,068	\$ 45,201,891	\$ 45,690,677	\$ 45,659,524
Federal Funds	6,707,756	6,731,230	6,731,230	6,731,230	6,731,230	6,731,230
Other Funds	16,007,191	16,672,414	16,672,414	16,672,414	16,162,254	16,162,254
Total	\$ 68,722,666	\$ 69,144,186	\$ 69,680,712	\$ 68,605,535	\$ 68,584,161	\$ 68,553,008



# FY 2002 OPERATING BUDGET SUMMARY

7/2/01

House Bill	Current Year Appropriations	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b>12</b>	<b><u>Judiciary</u></b>					
	General Revenue	\$ 147,922,727	\$ 146,206,481	\$ 141,683,879	\$ 144,983,541	\$ 144,217,896
	Federal Funds	11,563,471	12,165,612	12,165,612	12,165,612	12,165,612
	Other Funds	5,607,714	5,735,723	5,735,723	5,735,723	5,735,723
	Total	\$ 165,093,912	\$ 164,107,816	\$ 159,585,214	\$ 162,884,876	\$ 162,119,231
<b>12</b>	<b><u>Public Defender</u></b>					
	General Revenue	\$ 29,713,513	\$ 29,808,922	\$ 29,808,922	\$ 29,808,922	\$ 29,808,922
	Federal Funds	125,000	125,000	125,000	125,000	125,000
	Other Funds	814,114	1,214,534	1,214,534	1,214,534	1,214,534
	Total	\$ 30,652,627	\$ 31,148,456	\$ 31,148,456	\$ 31,148,456	\$ 31,148,456
<b>12</b>	<b><u>General Assembly</u></b>					
	General Revenue	\$ 37,520,494	\$ 36,772,310	\$ 36,625,173	\$ 35,595,554	\$ 36,651,083
	Federal Funds	0	0	0	0	0
	Other Funds	850,590	620,800	620,800	620,800	620,800
	Total	\$ 38,371,084	\$ 37,393,110	\$ 37,245,973	\$ 36,216,354	\$ 37,271,883
<b>14</b>	<b><u>Healthy Families</u></b>					
	General Revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Federal Funds	0	86,958,691	57,301,422	57,301,422	57,301,422
	Other Funds	0	225,214,847	264,776,957	220,363,520	222,512,140
	Total	\$ 0	\$ 312,173,538	\$ 322,078,379	\$ 277,664,942	\$ 279,813,562
<b><u>Total HB 1 - HB 14</u></b>						
	General Revenue	\$ 7,473,539,699	\$ 8,058,756,860	\$ 8,058,685,244	\$ 8,007,813,066	\$ 8,031,602,816
	Federal Funds	4,791,159,651	5,345,294,212	5,319,247,888	5,477,541,652	5,501,148,832
	Other Funds	4,329,424,708	5,460,454,510	5,603,657,312	5,670,757,101	5,697,579,216
	Total	\$ 16,594,124,058	\$ 18,864,505,582	\$ 18,981,590,444	\$ 19,156,111,819	\$ 19,230,330,864

# FY 2002 - FY 2003 BIENNIAL BUDGET SUMMARY

7/2/01

House Bill	Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
<b><u>Statewide Leasing - Year 1</u></b>					
General Revenue	\$ 28,881,096	\$ 28,881,096	\$ 28,584,193	\$ 28,739,929	\$ 28,739,929
Federal Funds	17,799,220	17,799,220	17,639,389	17,761,653	17,761,653
Other Funds	6,472,014	6,472,014	6,576,442	6,576,442	6,576,442
Total	\$ 53,152,330	\$ 53,152,330	\$ 52,800,024	\$ 53,078,024	\$ 53,078,024
<b><u>Statewide Leasing - Year 2</u></b>					
General Revenue	\$ 29,632,428	\$ 29,632,428	\$ 28,134,525	\$ 28,249,525	\$ 28,249,525
Federal Funds	18,562,585	18,562,585	17,663,254	17,720,754	17,720,754
Other Funds	7,368,311	7,368,311	6,823,239	6,880,739	6,880,739
Total	\$ 55,563,324	\$ 55,563,324	\$ 52,621,018	\$ 52,851,018	\$ 52,851,018
<b>13</b>	<b><u>Statewide Leasing - Total</u></b>				
General Revenue	\$ 58,513,524	\$ 58,513,524	\$ 56,718,718	\$ 56,989,454	\$ 56,989,454
Federal Funds	36,361,805	36,361,805	35,302,643	35,482,407	35,482,407
Other Funds	13,840,325	13,840,325	13,399,681	13,457,181	13,457,181
Total	\$ 108,715,654	\$ 108,715,654	\$ 105,421,042	\$ 105,929,042	\$ 105,929,042
<b><u>Maintenance &amp; Repair - Year 1</u></b>					
General Revenue	\$ 30,101,381	\$ 30,101,381	\$ 29,665,363	\$ 29,665,363	\$ 29,665,363
Federal Funds	1,808,115	1,808,115	1,808,115	1,808,115	1,808,115
Other Funds	9,721,287	9,471,232	9,242,138	9,140,614	9,140,614
Total	\$ 41,630,783	\$ 41,380,728	\$ 40,715,616	\$ 40,614,092	\$ 40,614,092
<b><u>Maintenance &amp; Repair - Year 2</u></b>					
General Revenue	\$ 39,599,334	\$ 39,599,334	\$ 40,646,243	\$ 40,646,243	\$ 40,646,243
Federal Funds	1,948,867	1,948,867	1,948,867	1,948,867	1,948,867
Other Funds	6,917,042	6,917,042	6,312,188	6,769,052	6,769,052
Total	\$ 48,465,243	\$ 48,465,243	\$ 48,907,298	\$ 49,364,162	\$ 49,364,162
<b>18</b>	<b><u>Maintenance &amp; Repair - Total</u></b>				
General Revenue	\$ 69,700,715	\$ 69,700,715	\$ 70,311,606	\$ 70,311,606	\$ 70,311,606
Federal Funds	3,756,982	3,756,982	3,756,982	3,756,982	3,756,982
Other Funds	16,638,329	16,388,274	15,554,326	15,909,666	15,909,666
Total	\$ 90,096,026	\$ 89,845,971	\$ 89,622,914	\$ 89,978,254	\$ 89,978,254



# FY 2002 - FY 2003 BIENNIAL BUDGET SUMMARY

7/2/01

House  
Bill

Governor's Amended Recommendation	House Recommendation	Senate Recommendation	Conference Recommendation	After Veto Recommendation
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## New Construction - Year 1

General Revenue	\$ 5,617,695	\$ 7,384,466	\$ 6,232,090	\$ 7,834,466	\$ 6,716,295
Federal Funds	8,250,200	8,250,200	8,250,200	8,250,200	8,250,200
Other Funds	29,519,037	30,951,237	30,531,673	30,951,237	30,951,237
Total	\$ 43,386,932	\$ 46,585,903	\$ 45,013,963	\$ 47,035,903	\$ 45,917,732

## New Construction - Year 2

General Revenue	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Federal Funds	825,000	825,000	825,000	825,000	825,000
Other Funds	27,589,333	27,589,333	27,589,333	27,589,333	27,589,333
Total	\$ 28,614,333	\$ 28,614,333	\$ 28,614,333	\$ 28,614,333	\$ 28,614,333

## 19 New Construction - Total

General Revenue	\$ 5,817,695	\$ 7,584,466	\$ 6,432,090	\$ 8,034,466	\$ 6,916,295
Federal Funds	9,075,200	9,075,200	9,075,200	9,075,200	9,075,200
Other Funds	57,108,370	58,540,570	58,121,006	58,540,570	58,540,570
Total	\$ 72,001,265	\$ 75,200,236	\$ 73,628,296	\$ 75,650,236	\$ 74,532,065

## Year 1 Total

General Revenue	\$ 64,600,172	\$ 66,366,943	\$ 64,481,646	\$ 66,239,758	\$ 65,121,587
Federal Funds	27,857,535	27,857,535	27,697,704	27,819,968	27,819,968
Other Funds	45,712,338	46,894,483	46,350,253	46,668,293	46,668,293
Total	\$ 138,170,045	\$ 141,118,961	\$ 138,529,603	\$ 140,728,019	\$ 139,609,848

## Year 2 Total

General Revenue	\$ 69,431,762	\$ 69,431,762	\$ 68,980,768	\$ 69,095,768	\$ 69,095,768
Federal Funds	21,336,452	21,336,452	20,437,121	20,494,621	20,494,621
Other Funds	41,874,686	41,874,686	40,724,760	41,239,124	41,239,124
Total	\$ 132,642,900	\$ 132,642,900	\$ 130,142,649	\$ 130,829,513	\$ 130,829,513

## Biennial Total

General Revenue	\$ 134,031,934	\$ 135,798,705	\$ 133,462,414	\$ 135,335,526	\$ 134,217,355
Federal Funds	49,193,987	49,193,987	48,134,825	48,314,589	48,314,589
Other Funds	87,587,024	88,769,169	87,075,013	87,907,417	87,907,417
Total	\$ 270,812,945	\$ 273,761,861	\$ 268,672,252	\$ 271,557,532	\$ 270,439,361

## **APPROPRIATION AND REVENUE CHARTS**

### **FY 2002**

#### **FY 2002 Revenue Estimate All Funds (pg. 8)**

This chart illustrates the consensus state revenue estimate of all funds as determined by the Office of Administration and the General Assembly in December 2000. The chart lists General Revenue by its four major sources: Corporate Income Tax, Individual Income Tax, Sales and Use Tax, and All Other Sources. Additional sources include: Federal sources, Transportation funds, Lottery Sales, Tobacco Funds, and Other State Earmarked funds. The largest source is Federal with \$5,452 billion and 28.35% of the total revenue.

#### **FY 2002 General Revenue Estimate (pg. 9)**

This chart represents the consensus state revenue estimate, as determined by the Office of Administration and the General Assembly in December 2000. The chart divides the revenue estimate into 6 categories: individual income, corporate income, sales and use tax, corporate franchise, inheritance and estate taxes, and all other revenue sources. The FY 2002 consensus revenue estimate is \$5.058 billion. The largest revenue generator is individual income taxes, which is estimated at \$4.488 billion, or 55.69% of state general revenue.

#### **FY 2002 Operating Budget All Funds (pg. 10)**

This pie chart illustrates the total operating budget of all funds by topic area.

#### **FY 2002 Operating Budget General Revenue Fund (pg. 11)**

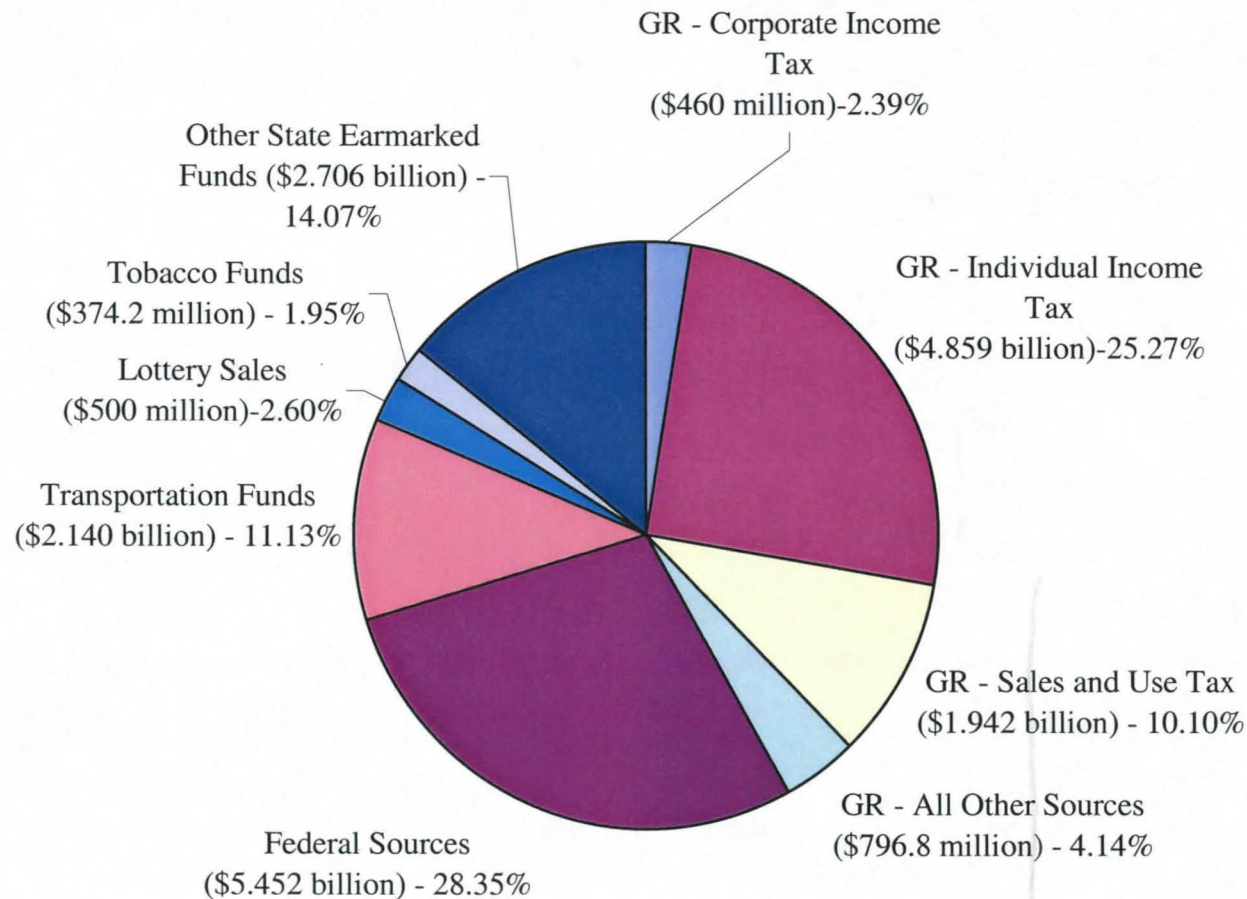
This pie chart illustrates the total operating budget of General Revenue by topic area.

#### **FY 2002 Distribution of Each General Revenue Tax Dollar (pg. 12)**

This chart illustrates how each General Revenue tax dollar is appropriated for FY 2002. The categories are the same as in the distribution chart for All Funds. During FY 2002, Elementary & Secondary Education received 30.29¢ of each General Revenue tax dollar, the largest share of any state service category.



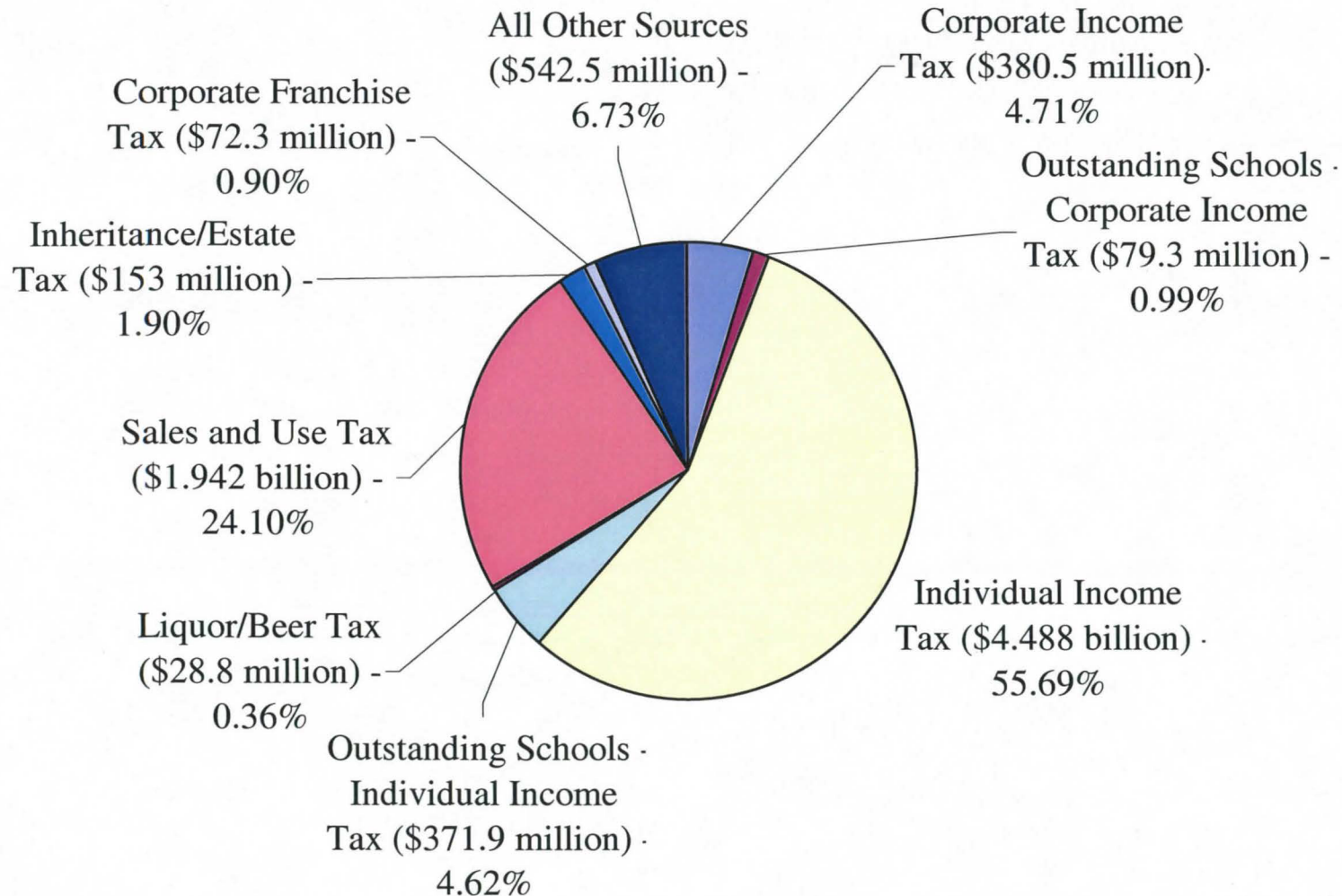
## FY 2002 All Revenues Estimate: \$19.230 Billion



Examples of State Earmarked Funds: water, water pollution and stormwater bonds, environmental fee funds, Intergovernmental Transfers, Conservation, Gaming, etc.

# FY 2002 General Revenue

## Consensus Revenue Estimate - \$8.058 Billion

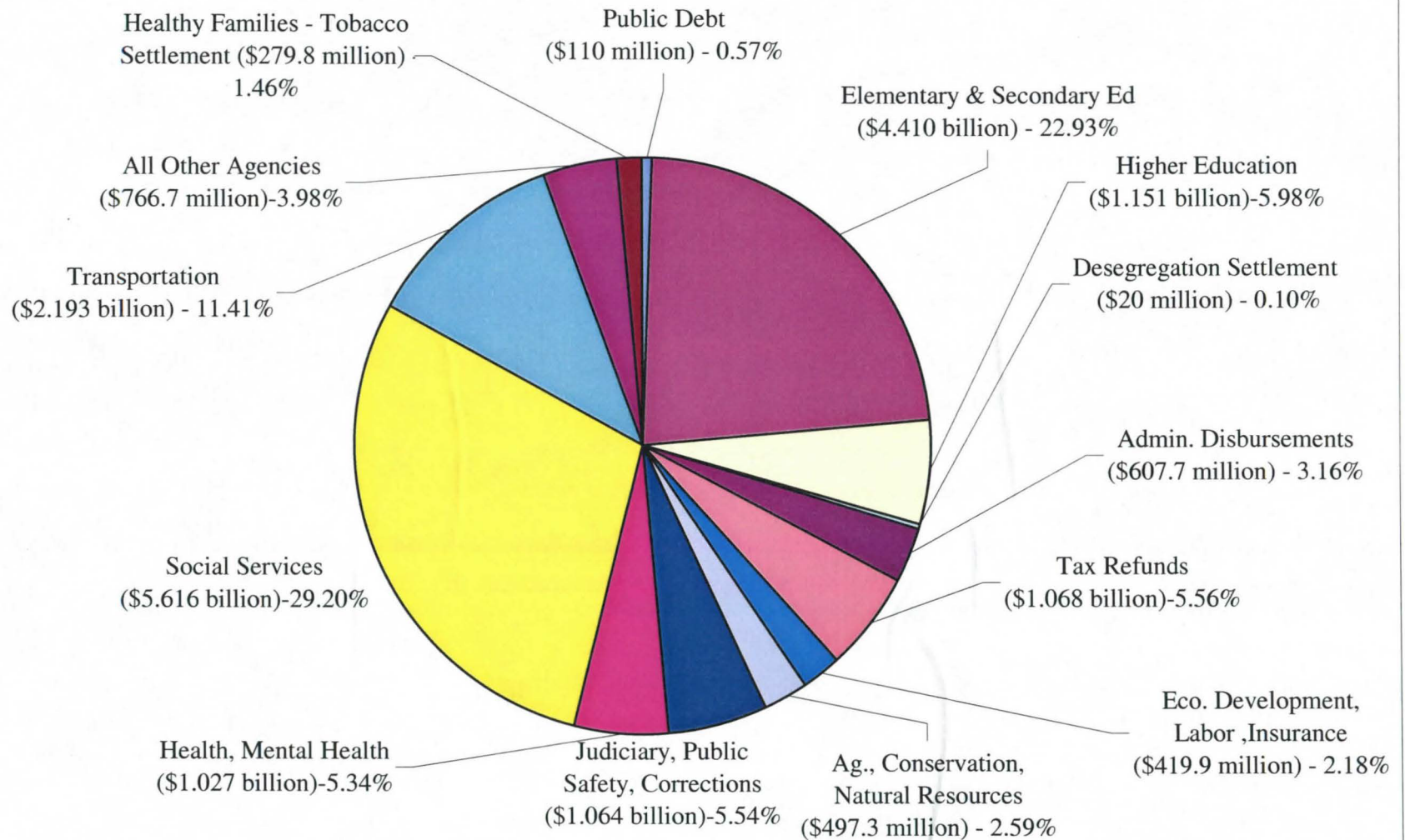


All Other Sources: interest, federal reimbursement, county foreign insurance, etc.



# FY 2002 Operating Budget

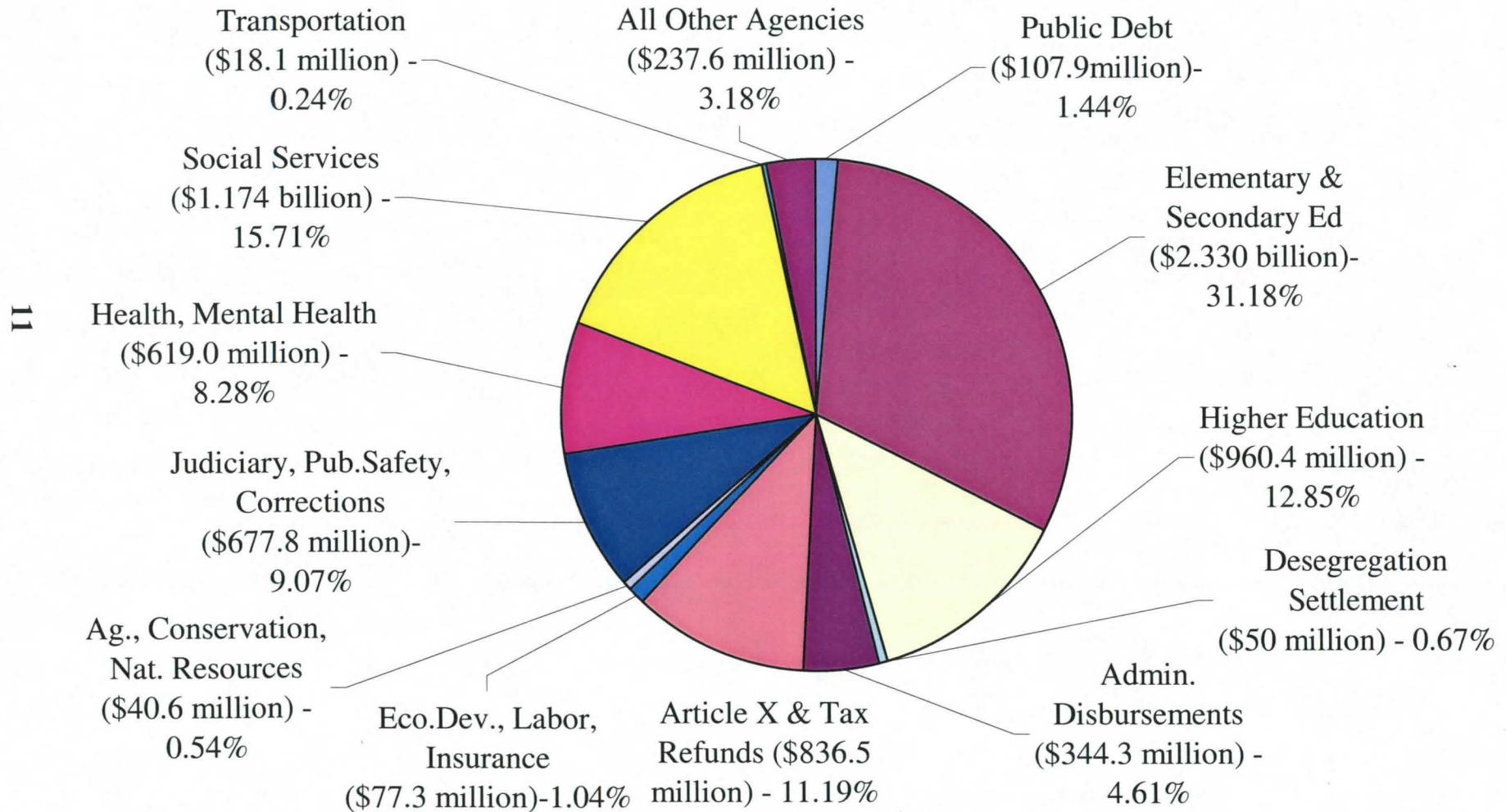
## All Funds - \$19.230 Billion



Administrative Disbursements: Retirement, Insurance, Deferred Comp

All Other Agencies: Revenue, Elected Officials, OA, General Assembly

## FY 2001 Operating Budget General Revenue - \$7.473 Billion





# DISTRIBUTION OF EACH GENERAL REVENUE TAX DOLLAR

## FY 2002 MISSOURI STATE OPERATING APPROPRIATIONS

General Revenue: \$8.031 Billion



\* Revenue, Office of Administration, Elected Officials, General Assembly

\*\* Fringe Benefits (Retirement, Insurance, Deferred Compensation)

Prepared by Senate Appropriations Staff

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

The major operating budget changes section of the Annual Fiscal Report compares the FY 2002 budget to the FY 2001 budget for each state department, and for elected officials, the judiciary, and the General Assembly. Appropriations from General Revenue, Federal Funds, and Other State Revenue are compared and percentage increases and decreases are provided. Additionally, the number of employees, or full-time equivalents (FTEs), is analyzed for each state department. This section also includes the major changes that occurred in each department's budget for FY 2002. These major changes are either core\* reductions, new funding for existing state programs, or funding for new state programs.

### HB 1 – PUBLIC DEBT

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$107,854,037	\$110,063,279	2.0%
FED	0	0	0%
OTHER	0	0	0%
TOTAL	\$107,854,037	\$110,063,279	2.0%
 F.T.E.	 1.40	 1.40	 0.00%

### Major Changes

\$2,575,000	Provides funds for the additional principal and interest on Water Pollution Control Bonds.
\$1,288,200	Provides funds for the additional principal and interest on Stormwater Control Bonds.

\*- Core is defined in the glossary (pg. 85)



## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 2 – DEPT. of ELEMENTARY AND SECONDARY EDUCATION

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$2,380,183,337	\$2,452,741,627	3.0%
FED	680,555,780	783,638,904	15.1%
OTHER	<u>1,179,196,561</u>	<u>1,193,396,648</u>	<u>1.2%</u>
TOTAL	\$4,239,935,678	\$4,429,777,129	4.5%
F.T.E.	2,033.81	2,027.22	(0.3%)

#### Major Changes

\$84,033,649	Provides increased overall funding for the foundation and related programs including the following changes: \$64,863,239 increase in the Equity Formula*, total \$1.7 billion \$13,157,945 increase in Line 14* funding, total \$346.0 million \$ 198,351 increase in Gifted Programs, total \$24.9 million \$ 5,814,114 increase for Early Childhood Programs, total \$63.2 million
\$900,000	Provides increased funding for State Board Operated Schools.
\$31,481,038	Provides increase in funding in the Personal Care Assistance program and 5.00 FTE for the oversight and administration of the program.
\$14,252,588	Provides federal funds to schools through a grant process for urgent school renovation and up to 25% of the state's \$18.5 million share to be spent on activities authorized under part B of the Individuals with Disabilities Act, and technology enhancements related to school renovation. Charter Schools are also eligible to receive these grants.
\$4,757,267	Provides increase in funding for the Excess Costs and Severe Disabilities, \$4,257,267 is from the School Renovations Grant, total \$5,557,267.
\$26,562,289	Provides increase in the Special Education Federal Grant, for a total appropriation of \$139,262,289.
\$4,662,879	Provides increase in the First Steps program administered by DESE and case managed by the Departments of Health and Mental Health.
\$994,998	Provides funds for a CHARACTER plus Education program.

\* - Equity Formula is defined in the glossary (pg. 85)

\* - Line 14 is defined in the glossary (pg. 85)

# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 3 – DEPT. of HIGHER EDUCATION

<u>Fund</u>	<u>FY 2001</u> <u>Approp.</u> <u>After Veto</u>	<u>FY 2002</u> <u>After Veto</u>	<u>Percentage</u> <u>Change</u>
GR	\$ 960,430,936	\$ 975,672,485	1.5%
FED	5,288,079	4,305,047	(18.6%)
OTHER	176,206,345	\$ 170,520,490	(3.2%)
TOTAL	\$1,141,925,360	\$1,150,498,022	.75%
F.T.E.	82.28	96.83	17.7%

### Major Changes

\$17,842,170	Provides funds for mission enhancement at public four-year institutions \$ 741,680 Lincoln University \$ 1,440,000 Truman State University \$ 660,490 Harris-Stowe State College \$15,000,000 University of Missouri Campuses
\$1,944,835	Provides funds for a Base Budget Adjustment at Southwest Missouri State University.
\$500,000	Provides increase for a match for Title III Endowment funds (\$400,000).
\$1,925,000	Provides one-time funds in the Missouri College Guarantee Scholarship program, core program funding \$8,460,000.
\$830,625	Provides one-time increase to MOREnet, core funding \$12,138,000.
\$825,000	Provides one-time funds for Charles E. Gallagher Scholarship program, core funding \$16,628,436.
\$1,504,612	Provides funds and 6.5 FTE to administer the federal GEAR-up program that provides equal access to educational excellence through partnership efforts on behalf of low-income and under-represented students. Activities include mentoring, outreach, and counseling and other support services.
\$1,781,429	Provides funds and 12.00 FTE for MOSTARS enhancement of which \$1.4 million and 6.00 FTE is part of the E-Government Initiative (electronic interaction with citizens).



# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 4 – DEPT. of REVENUE

<u>Fund</u>	<u>FY 2001</u> <u>Approp.</u> <u>After Veto</u>	<u>FY 2002</u> <u>After Veto</u>	<u>Percentage</u> <u>Change</u>
GR	\$830,885,385	\$1,141,049,833	37.4%
FED	633,503	2,530,953	299.5%
OTHER	<u>409,279,672</u>	<u>412,896,200</u>	<u>(27.7%)</u>
TOTAL	\$1,240,798,560	\$1,556,476,986	11.0%
F.T.E.	2,287.88	2,277.88	(.4%)

### Major Changes

\$243,000	Provides funding for a one-stop registration system for commercial motor carriers.
\$1,896,400	Provides federal funds to automate and enhance the DWI database to facilitate the collection and sharing of data between the Department of Revenue, State Highway Patrol, local law enforcement agencies and state and local courts.
\$606,580	Provides funding for postage rate increase.
\$902,570	Provides funding for increase license plate costs.
\$312,950,000	Provides increase for General Revenue Refunds, total recommendation is \$1,068,300,000.
\$784,565	Provides funding for increase ticket printing and courier delivery costs at the Missouri Lottery.
\$209,669	Provides funding for increase costs in the Federal Universal Service surcharge.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 4 – DEPT. of TRANSPORTATION

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$18,098,369	\$17,230,184	(4.8%)
FED	30,821,567	36,261,496	17.7%
OTHER	<u>1,397,140,324</u>	<u>2,139,873,319</u>	<u>53.1%</u>
TOTAL	\$1,446,060,260	\$2,193,364,999	51.6%
F.T.E.	6,783.00	6,804.00	0.3%

#### Major Changes

\$269,242,288	Provides increased funding for costs related to right-of-way acquisition and expense and equipment for construction of roads and bridges. This funding is from the first bond issuance.
\$415,000,000	Provides authorization for the second issuance of bonds to construct new bridges and roadways, and to maintain existing roadways.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 5 – OFFICE of ADMINISTRATION

<u>Fund</u>	<u>FY 2001</u> <u>Approp.</u> <u>After Veto</u>	<u>FY 2002</u> <u>TAFP</u>	<u>Percentage</u> <u>Change</u>
GR	\$504,013,682	\$557,402,226	10.6%
FED	95,071,701	108,815,728	14.5%
OTHER	103,097,318	114,173,670	10.7%
TOTAL	\$702,182,701	\$780,391,624	11.1%
F.T.E.	1,110.97	1,106.29	(0.04%)

### Major Changes

\$3,000,000	Provides funding for implementation of an E-Government Initiative (electronic interaction with citizens).
\$2,180,488	Provides funding to continue implementation, management and maintenance of the new statewide financial system (SAM II).
\$1,850,584	Provides funding for hardware and software upgrades at the State Data Center.
\$12,397,000	Provides additional funding for the Missouri State Retirement System.
\$61,000,000	Provides additional funding for the Missouri Consolidated Health Care.



## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 6 – DEPT. of AGRICULTURE

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$14,715,758	\$15,333,314	4.20%
FED	1,521,705	1,656,235	8.84%
OTHER	<u>13,046,134</u>	<u>16,065,634</u>	<u>23.14%</u>
TOTAL	\$29,283,597	\$33,055,183	12.88%
F.T.E.	462.87	460.47	(0.52%)

#### Major Changes

\$200,000	Provides funding and 1.00 FTE for the Agriculture Innovation Center (\$50,000 GR), ethanol study (\$50,000 GR), and assistance to Lincoln University's small farmers program (\$100,000 FED).
\$4,342,546	Provides funding for ethanol producer incentives, including \$1,892,546 GR and \$2,450,000 Petroleum Violation Escrow Fund.
\$361,940	Provides funding for vehicle replacement.
(\$300,000)	A core cut from of the \$300,000 FY 2001 core of the Food and Agriculture Policy Research Institute (FAPRI).
\$270,000	Provides funding for an AgriMissouri enhancement.
\$385,286	Provides funding and 4.00 FTE for an enhancement to the state meat inspection program.
\$50,000	Provides funding for continuation of the food animal identification project.

# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 6 – DEPT. of NATURAL RESOURCES

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$25,935,374	\$21,857,014	(15.73%)
FED	40,513,367	37,016,124	(8.63%)
OTHER	<u>252,341,504</u>	<u>280,274,721</u>	<u>11.07%</u>
TOTAL	\$318,790,245	\$339,147,859	6.39%
F.T.E.	2058.35	2,059.84	0.1%

### Major Changes

\$19,990,007	Provides funding for additional claims related to petroleum storage tank leaks, but retained estimated appropriation.
\$1,650,000	Provides funding for Lewis and Clark Bicentennial activities and 2.00 FTE from GR (\$825,000) and IGT Funds (\$825,000).
\$4,500,000	Provides funding for additional Energy Set-Aside loans to schools and local governments, but retained estimated appropriation.
\$300,000	Provides funding for an alternative fuel loan program.
\$75,011	Provides funding and 1.00 FTE for a civil rights exhibit at the Bruce R. Watkins Cultural Center in Kansas City from Parks Sales Tax.
\$25,000	Provides one-time funding for the State Capitol book project.
(\$657,132)	Reduces the funding for Local Landmark Parks and Local Parks program down to \$3,300,000, with one-third each to Swope Park, Forest Park and out-state parks respectively.
\$1,608,893	Provides funding and 17.50 FTE to meet legislation and audit findings in the Division of Environmental Quality (Federal and Other Funds).
\$250,000	Provides GR funding for Vehicle Emissions Repair Assistance Program.
\$413,532	Provides funding for soil and water conservation district grants to support health benefits.
\$3,200,000	Provides funding for an expansion to Special Area Land Treatment projects involving non-point source runoff.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 6 – DEPT. of CONSERVATION

<u>Fund</u>	FY 2001 Approp. <u>After Veto</u>	FY 2002 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$0	\$0	0.0%
FED	0	0	0.0%
OTHER	<u>121,748,965</u>	<u>125,071,345</u>	<u>2.73%</u>
TOTAL	\$121,748,965	\$125,071,345	2.73%
F.T.E.	1,835.61	1,871.61	1.96%

#### Major Changes

\$1,943,880	Provides funding and 36.00 FTE for Nature Centers and other facilities in Joplin (Visitor Center), Cape Girardeau (Nature Center), Kansas City (Nature Center) and Parkville (Shooting Range).
\$593,022	Provides funding for increased health care costs.
\$400,000	Provides funding for increased petroleum costs.



## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 7 – DEPT. of ECONOMIC DEVELOPMENT

	FY 2001		
<u>Fund</u>	<u>Approp.</u> <u>After Veto</u>	FY 2002 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$71,886,872	\$63,581,724	(11.55%)
FED	135,766,575	142,648,833	5.07%
OTHER	<u>75,234,256</u>	<u>76,019,189</u>	<u>1.04%</u>
TOTAL	\$282,887,703	\$282,249,746	(0.22%)
 F.T.E.	 1,651.47	 1,648.04	 (0.21%)

#### Major Changes

(\$1,807,500)	Core reduction to customized job training program, leaving \$13.2 million in core.
(\$1,900,000)	Core reduction to the transfer from General Revenue to the urban enterprise loan program/BEST Fund, leaving \$160,000 in core.
\$950,406	Provides additional funding for the 5 approved Tax Increment Financing projects (Cupples, St. Louis Convention Hotel, Midtown, Sante Fe Trail, Elms Hotel).
\$400,000	Provides funding for increase in Missouri Cultural Trust Incentive programs.
(\$2,597,030)	Core reduction to the GR transfer to the Arts Council Trust Fund. Distribution based on actual collections of Non-Resident Athlete & Entertainers Tax in FY2000, which leaves \$2,597,030 in the core.
\$1,000,000	Provides one-time funding for the Ft. Leonard Wood Research Park.
\$200,000	Provides funding for soybean research at the University of Missouri – Rolla as a part of the Centers for Advanced Technology Program.
\$5,000,000	Provides funding for additional federal training grants.
\$200,000	Provides one-time GR funding for a Walt Disney Celebration in Marceline, MO, birthplace of Walt Disney.
\$107,000	Provides funding to consolidate motor carrier registration system.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 7 – DEPT. of INSURANCE

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$0	\$0	0.00%
FED	400,000	400,000	0.00%
OTHER	<u>13,335,396</u>	<u>13,420,847</u>	<u>0.64%</u>
TOTAL	\$13,735,396	\$13,820,847	0.62%
 F.T.E.	 225.50	 226.50	 0.44%

#### Major Changes

\$55,856 Provides funding and 1.00 FTE to implement organizational credit legislation SB 896 (2000).

# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 7 – DEPT. of LABOR AND INDUSTRIAL RELATIONS

<u>Fund</u>	FY 2001 <u>Approp.</u> <u>After Veto</u>	FY 2002 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$5,440,285	\$4,958,418	(8.86%)
FED	61,626,116	67,875,663	10.14%
OTHER	48,423,656	51,040,384	5.40%
TOTAL	\$115,490,057	\$123,874,465	7.26%
F.T.E.	1,314.27	1,315.27	0.08%

### Major Changes

\$664,420	Provides funding for State Data Center charges.
\$350,732	Provides funding to replace computers in the Division of Workers Compensation.
\$3,000,000	Provides funding for additional claims from the Second Injury Fund.
\$5,000,000	Provides funding for additional benefit payments from trade act programs.
\$90,000	Provides funding to replace computers in the Commission on Human Rights (\$25,000 GR; \$65,000 Federal).



## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 8 – DEPT. of PUBLIC SAFETY

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$54,428,420	\$50,897,612	0.51%
FED	77,727,654	85,140,636	4.4%
OTHER	<u>188,026,866</u>	<u>203,086,861</u>	<u>10.7%</u>
TOTAL	\$320,182,9440	\$339,107,109	7.4%
F.T.E.	4,501.86	4,576.05	1.65%

#### Major Changes

\$900,000	Provides funding to combat the production and usage of metamphetamines and ecstasy drugs.
\$2,631,047	Provides funding to upgrade equipment for Missouri's Criminal History Repository at the Highway Patrol.
\$750,000	Provides funding for veterans' service officer programs run by veterans' organizations such as the VFW and American Legion.
\$2,000,000	Provides funding for new construction of veterans' memorials throughout the state.
\$354,124	Provides funding for start-up costs associated with two new veterans' cemeteries located in Bloomfield and Jacksonville.
\$1,110,434	Provides funding to cover increased costs associated with the rising costs of pharmaceuticals and pharmacy consulting services for the veterans' homes.
\$3,000,000	Provides funding for the WW II and Normandy "D-Day" Invasion of Europe Recognition Program.
\$862,400	Provides additional funding for the National Guard Educational Assistance Program.

# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 9 – DEPT. of CORRECTIONS

<u>Fund</u>	FY 2001 <u>Approp.</u> <u>After Veto</u>	FY 2002 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$445,771,690	\$482,507,741	8.8%
FED	9,350,000	6,660,949	(28.8%)
OTHER	45,591,189	42,827,457	6.1%
TOTAL	\$500,712,879	\$531,996,147	7.2%
F.T.E.	10,502.77	10,478.77	(0.02%)

### Major Changes

\$8,605,262	Provides increased funding for fuel and utilities at correctional facilities throughout the state.
\$1,890,594	Provides increased funding for food purchases at correctional facilities located throughout the state.
\$1,311,928	Provides funding for enhancements to communications systems and wiring in correctional facilities at Algoa, Booneville and Fulton.
\$2,287,919	Provides funding for institutional expense and equipment at correctional facilities throughout the state.
\$10,721,905	Provides funding for interim housing for the Algoa and Western Missouri correctional facilities, and for start-up costs at the new facilities at Charleston and Bonne Terre.
\$20,337,859	Provides increased funding for medical services for inmates at correctional facilities throughout the state.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 10 – DEPT. of MENTAL HEALTH

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$554,976,829	\$561,040,472	1.09%
FED	98,238,146	109,865,253	11.8%
OTHER	<u>22,280,586</u>	<u>22,283,700</u>	<u>.01%</u>
TOTAL	\$675,495,561	\$693,189,425	2.62%
F.T.E.	10,566.80	10,386.04	(1.71%)

#### Major Changes

(\$3,831,513)	Removes funding for 130.30 FTE throughout the Department, including closing 14 beds at the Higginsville Habilitation Center where the clients will move into the community.
(\$4,168,618)	Removes funding for expenses and equipment and programs such as, Caring Communities (\$368,237), Family Support Stipend and Loans (\$437,127), and Work in Recovery (\$530,000).
\$9,896,390	Provides General Revenue funds for a \$1.00/hour increase for contracted providers direct care staff.
\$5,900,000	Provides funds to implement a new management information system (purchasing hardware, software licensing, and training).
\$4,144,185	Provides funds for case management and community based supports for mentally ill adults.
\$1,537,365	Provides funds to purchase targeted case management and community based supports for seriously emotionally disturbed youth.
\$700,598	Provides funds for a 14 bed residential drug and alcohol treatment facility.
\$783,053	Provides funds and 13.00 FTE for Western MO Mental Health Center to meet Health Care Financing Administration (HCFA) certification requirements.
\$1,081,124	Provides funds for increased costs in fuel and utilities for MRDD facilities and CPS facilities.



# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 10 – DEPT. of HEALTH

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$64,067,553	\$60,968,918	(4.8%)
FED	244,898,478	252,431,096	3.0%
OTHER	<u>17,370,767</u>	<u>20,627,730</u>	<u>15.5%</u>
TOTAL	\$326,336,798	\$334,027,744	2.3%
F.T.E.	1,332.35	1,315.40	(1.27%)

### Major Changes

(\$1,707,575)	Removes funding for 41.50 FTE throughout the Department.
(\$1,810,601)	Removes funding for Caring Communities (\$247,086), Childcare Improvement Program (\$728,740), the Hospital Subsidy program (\$398,775), the Area Health Education Centers, and other various programs (\$1,155,652).
\$110,075	Provides funds to replace a federal grant for arthritis programs.
\$291,696	Provides funds to implement the HIV/AIDS Task Force Emergency Response Plan.
\$2,000,000	Provides funds to increase the Women, Infants, and Children program.
\$126,667	Provides funds to implement the Blindness Education, Screening, and Treatment Program created in SB 721 (2000).
\$824,352	Provides funds for a federal grant to expand current cardiovascular health program.
\$275,872	Provides funds, generated by fees, to expand the newborn screening test by including Congenital Adrenal Hyperplasia.
\$322,449	Provides funds to expand current Epidemiology & Laboratory Capacity for Infectious Diseases federal grant.
\$428,430	Provides funds to expand current Lead Licensing & Accreditation and Hospital Licensing & Certification Federal grant program.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 11 – DEPT. of SOCIAL SERVICES

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$1,173,686,719	\$1,260,046,384	7.4%
FED	3,290,350,753	3,785,578,651	15.1%
OTHER	<u>243,825,560</u>	<u>569,755,570</u>	<u>133.7%</u>
TOTAL	\$4,707,863,032	\$5,615,380,605	19.3%
 F.T.E.	 10,346.02	 10,453.15	 1.0%

#### Major Changes

\$367,880,000	Provides appropriation authority to draw additional federal funds for Intergovernmental Transfer transactions and reserves funding for future Medicaid supplementals.
\$266,413,886	Provides funding for Medicaid Pharmacy growth.
\$133,000,000	Provides one-time grant to Nursing Facilities using Intergovernmental Transfer funding.
(\$122,299,819)	Reduction of core funding related to Medicaid Pharmacy cost containment programs and services.
\$61,657,289	Provides funding for Medicaid Hospital services growth.
\$50,432,508	Provides funding for increased Medicaid Managed Care services costs.
\$50,488,517	Provides funding for Medicaid Home and Community Based services growth.
\$32,540,227	Provides funding for Medicaid Physician services growth.
\$15,000,000	Provides Federal funding for Purchase of Childcare.
\$10,817,275	Provides funding for Medicaid Rehab and Specialty Services growth.
\$10,000,000	Provides appropriation authority for University of Missouri Hospital Uncompensated Care.
\$14,366,456	Provides funding for various Children's Services including treatment, foster care, and adoption subsidy.
\$2,567,394	Provides funding for Medicaid dental rate increase, second year of a three year planned request.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 12 – STATEWIDE ELECTED OFFICIALS

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$46,007,719	\$45,659,524	(0.7%)
FED	6,707,756	6,731,230	0.3%
OTHER	<u>16,007,191</u>	<u>16,162,254</u>	<u>0.9%</u>
TOTAL	\$68,722,666	\$68,553,008	(0.2%)
 F.T.E.	 955.50	 981.20	 3.0%

#### Major Changes

\$600,000	Provides funding for the printing of the official manual (Secretary of State).
\$300,000	Provides funding for audit procurement (Auditor).
\$1,281,875	Provides funding and 17.5 FTE for the No-Call Unit, Racial Profiling, Sexually Violent Predator, Collections Unit, and Non-participating Manufacturers enforcement (Attorney General).



# MAJOR OPERATING BUDGET CHANGES FOR FY 2002

## HB 12 – JUDICIARY

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$147,922,727	\$144,150,056	(2.5%)
FED	11,563,471	12,165,612	5.2%
OTHER	<u>5,607,714</u>	<u>5,735,723</u>	<u>2.3%</u>
TOTAL	\$165,093,912	162,051,391	(1.8%)
F.T.E.	3,467.10	3,412.60	(1.6%)

### Major Changes

(\$1,952,336)	Core reduction of 91.50 FTE in the Circuit Courts.
\$857,280	Provides funding and 14 FTE for additional judgeships and clerks in 7 counties based on the recent census.
(\$6,621,777)	Core reduction for one time funding approved in FY 01 for court automation equipment.
\$3,000,000	Provides funding for implementation of court automation in 10 additional circuits.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 12 – PUBLIC DEFENDER

<u>Fund</u>	FY 2001 <u>Approp. After Veto</u>	FY 2002 <u>After Veto</u>	Percentage <u>Change</u>
GR	\$29,713,513	\$29,808,922	0.03%
FED	125,000	125,000	0.0%
OTHER	814,114	1,214,534	49.2%
TOTAL	\$30,652,627	\$31,148,456	1.6%
F.T.E.	558.13	558.13	0.0%

### Major Changes

\$400,000 Provides funding for additional training and equipment from the Legal Defense and Defender Fund.

## MAJOR OPERATING BUDGET CHANGES FOR FY 2002

### HB 12 – GENERAL ASSEMBLY

<u>Fund</u>	<u>FY 2001 Approp. After Veto</u>	<u>FY 2002 After Veto</u>	<u>Percentage Change</u>
GR	\$37,520,494	\$36,651,083	(2.3%)
FED	0	0	0.0%
OTHER	<u>850,590</u>	<u>620,800</u>	<u>(27.0%)</u>
TOTAL	\$38,371,084	37,271,883	(2.9%)
F.T.E.	776.25	778.75	.03%

#### Major Changes

\$269,832      Additional temporary staff, training, and travel expenses for the House.



# SUMMARY OF GOVERNOR'S VETOES

## FY 2002 OPERATING BUDGET,

## STATEWIDE LEASING, CAPITAL IMPROVEMENTS, & REAPPROPRIATIONS

House	Bill	Department	Section	Amount Vetoed	FTE	Fund	Remarks
	2	Elementary & Secondary Education	2.116	\$50,000		GR	For the purpose of funding geography curriculum and teaching methods
			2.160	\$400,000		GR	For the purpose of funding charter school sponsors
			2.201	\$500,000		GR	For the purpose of funding the Missouri Teacher Shortage Loan Program
			2.310	\$150,000		GR	For the purpose of funding a blind skills specialist for the Blindness Task Force
3		Higher Education	3.145	\$1,049,968		GR	For the purpose of funding an inflationary adjustments for community colleges
			3.155	\$22,532		GR	For the purpose of funding an inflationary adjustment for Linn State Technical College
			3.160	\$182,547		GR	For the purpose of funding an inflationary adjustment for Central Missouri State University
				\$75,000		GR	For the purpose of funding the motorcycle safety program at Central Missouri State University
			3.165	\$138,011		GR	For the purpose of funding an inflationary adjustment for Southeast Missouri State University
				\$119,000		GR	For the purpose of funding two wildlife specialists at Southeast Missouri State University
			3.170	\$251,695		GR	For the purpose of funding an inflationary adjustment for Southwest Missouri State University
			3.175	\$47,488		GR	For the purpose of funding an inflationary adjustment for Lincoln University
			3.175	\$100,000		GR	For the purpose of funding the Missouri Teacher Academy at Lincoln University
			3.180	\$102,372		GR	For the purpose of funding an inflationary adjustment for Truman State University
			3.185	\$94,149		GR	For the purpose of funding an inflationary adjustment for Northwest Missouri State University

House			Amount			
<u>Bill</u>	<u>Department</u>	<u>Section</u>	<u>Vetoed</u>	<u>FTE</u>	<u>Fund</u>	<u>Remarks</u>
3	Higher Education cont.	3.190	\$102,798		GR	For the purpose of funding an inflationary adjustment for Missouri Southern State College
		3.190	\$50,000		GR	For the purpose of funding a multicultural website at Missouri Southern State College
		3.195	\$89,174		GR	For the purpose of funding an inflationary adjustment for Missouri Western State College
		3.200	\$22,836		GR	For the purpose of funding an inflationary adjustment for Harris-Stowe State College
		3.205	\$783,930		GR	For the purpose of funding an inflationary adjustment for the University of Missouri
		3.205	\$175,000		GR	For the purpose of funding an education and labor market analysis of St. Louis at UMSL
		3.205	\$50,000		GR	For the purpose of funding a disability sports and recreation program at UMC
4	Transportation	4.230	\$20,190	1.00	GR	For the purpose of funding one additional staff in the Multimodal Administration Section
			\$27,626		OTH	For the purpose of funding one additional staff in the Multimodal Administration Section
		4.230	\$4,640		GR	For the purpose of funding expense & equipment for Multimodal Administration
		4.245	\$450,000		GR	For the purpose of funding the transfer of funds from GR to the State Transportation Fund for transit grants
		4.250	\$450,000		OTH	For the purpose of funding the distribution of funds to urban, small urban, and rural transportation systems
		4.315	\$25,000		GR	For the purpose of funding administrative assistance for the Mid-America Port Commission
			\$20,000		GR	For the purpose of funding administrative assistance for the Mississippi County Port Authority
5	Office of Administration	5.390	\$110,820		GR	For the purpose of funding payments to certain counties with mental institutions for reimbursement of salaries of public administrator's secretaries

House	Bill	Department	Section	Amount Vetoed	FTE	Fund	Remarks
	5	Office of Administration cont.	5.435	\$31,153		OTH	For the purpose of funding payments to public television and radio stations
			5.440	\$31,153		GR	For the purpose of funding payments to public television and radio stations
6		Agriculture	6.005	\$90,000	1.00	GR	For the purpose of funding an attorney in the Office of the Director
			6.005	\$25,000		GR	For the purpose of funding a crop identification study
			6.020	\$150,000		GR	For the purpose of funding replacement vehicles for the Office of the Director
			6.030	\$100,000		GR	For the purpose of funding the Food & Agriculture Policy Research Institute (FAPRI)
			6.040	\$100,000		GR	For the purpose of funding the farmers market program
			6.040	\$61,541	1.00	GR	For the purpose of funding an international marketing specialist
			6.040	\$100,000		GR	For the purpose of funding a South American trade office
6		Natural Resources	6.268	\$75,000		GR	For the purpose of funding a matching grant to the Cardiff Hill Park Historic Project
			6.269	\$31,153		GR	For the purpose of funding the GR transfer to the Historic Preservation Revolving Fund
7		Economic Development	7.020	\$200,000		OTH	For the purpose of funding the fruit & vegetable experiment station at Southwest Missouri State University
			7.020	\$549,000		OTH	For the purpose of funding Small Business Development Centers
			7.030	\$200,000		GR	For the purpose of funding the transfer for the fruit & vegetable experiment station at SMSU
			7.030	\$549,000		GR	For the purpose of funding the transfer for the Small Business Development Centers
			7.090	\$186,914		GR	For the purpose of funding the GR transfer to the Missouri Arts Council Trust Fund



House	Bill	Department	Section	Amount Vetoed	FTE	Fund	Remarks
	7	Economic Development cont.	7.095	\$31,153		GR	For the purpose of funding the GR transfer to the Missouri Humanities Council Trust Fund
			7.125	\$50,000		OTH	For the purpose of funding the Black World History Wax Museum
			7.200	\$50,000	1.00	GR	For the purpose of funding the public information section
	7	Labor and Industrial Relations	7.885	\$40,000		GR	For the purpose of funding computer equipment for the Missouri Commission on Human Rights
	8	Public Safety	8.285	\$67,965		GR	For the purpose of funding Missouri National Guard recruitment efforts
			8.320	\$50,000		GR	For the purpose of funding floodplain mapping
			8.322	\$50,000		FED	For the purpose of funding the Missouri Task Force One
	9	Corrections	9.100	\$10,608		GR	For the purpose of funding a pilot program to test Corrections staff for drugs and alcohol
			9.500	\$995,556	28.00	GR	For the purpose of funding 28 additional probation and parole officers
			9.515	\$1,122,312		GR	For the purpose of funding the Community Corrections Coordination Unit
	10	Mental Health	10.210	\$584,000		GR	For the purpose of funding additional adult acute care beds
			10.210	\$200,000		GR	For the purpose of funding counties serving a disproportionate share of forensic clients
			10.420	\$218,000		GR	For the purpose of funding the family support stipend program
	10	Health	10.635	\$236,000		GR	For the purpose of funding the Area Health Education Centers
	11	Social Services	11.005	\$5,000		GR	For the purpose of funding Prince Hall expenses
			11.010	\$750,000		OTH	For the purpose of funding Legal Aid Grants
			11.045	\$28,000		GR	For the purpose of funding a job information telephone line for blind persons
			11.135	\$1,000,000		GR	For the purpose of funding grants to specific communities

House			Amount			
<u>Bill</u>	<u>Department</u>	<u>Section</u>	<u>Vetoed</u>	<u>FTE</u>	<u>Fund</u>	<u>Remarks</u>
11	Social Services cont.	11.135	\$200,000		GR	For the purpose of funding services provided at the Grace Hill Neighborhood Services
		11.135	\$100,000		GR	For the purpose of funding services at the Lindbergh Family Resource Center
		11.210	\$300,000		OTH	For the purpose of funding rehabilitation teachers for the blind
		11.220	\$3,688,800		GR	For the purpose of funding the STARS Foster Care program
		11.225	\$250,000		GR	For the purpose of funding three regional child assessment centers
		11.250	\$1,000,000		GR	For the purpose of funding domestic violence prevention programs
		11.310	\$644,000		GR	For the purpose of funding the Juvenile Court Diversion Program
		11.400	\$150,000		GR	For the purpose of funding women and minority health care outreach programs
			\$150,000		FED	For the purpose of funding women and minority health care outreach programs
		11.400	\$60,000		GR	For the purpose of funding a drug pager pilot program
			\$60,000		FED	For the purpose of funding a drug pager pilot program
		11.420	\$375,000		FED	For the purpose of funding increased payments to the western region for pharmacy services
			\$250,000		GR	For the purpose of funding increased payments to the western region for pharmacy services
		11.425	\$35,000		GR	For the purpose of funding reimbursements for provisionally licensed psychologists
			\$40,000		FED	For the purpose of funding reimbursements for provisionally licensed psychologists
		11.430	\$873,106		GR	For the purpose of funding an increase in Medicaid dental rates
			\$1,368,501		FED	For the purpose of funding an increase in Medicaid dental rates
			\$200,000		OTH	For the purpose of funding a pilot program for rural dental services

House			Amount			
<u>Bill</u>	<u>Department</u>	<u>Section</u>	<u>Vetoed</u>	<u>FTE</u>	<u>Fund</u>	<u>Remarks</u>
11	Social Services cont.	11.440	\$2,471,673		GR	For the purpose of funding an increase in in-home service rates
			\$3,874,085		FED	For the purpose of funding an increase in in-home service rates
			\$64,806		GR	For the purpose of funding an increase for nursing home rates to \$80/day
			\$101,577		FED	For the purpose of funding an increase for nursing home rates to \$80/day
		11.442	\$200,000		OTH	For the purpose of funding a telephone assurance pilot project
			\$300,000		FED	For the purpose of funding a telephone assurance pilot project
		11.455	\$712,139		GR	For the purpose of funding a increase in Medicaid dental rates
			\$1,116,202		FED	For the purpose of funding a increase in Medicaid dental rates
		11.462	\$2,500,000		GR	For the purpose of funding expanding dental services in Federally Qualified Health Centers
		11.472	\$19,873		GR	For the purpose of funding reimbursements for provisionally licensed psychologists
			\$53,029		FED	For the purpose of funding reimbursements for provisionally licensed psychologists
		11.515	\$230,157		GR	For the purpose of funding an increase in in-home service rates
		11.610	\$200,000		OTH	For the purpose of funding quality monitoring and training inspection staff
		11.615	\$339,470		GR	For the purpose of funding an increase in in-home services rates
		11.630	\$4,825		GR	For the purpose of funding an increase in in-home services rates
		11.635	\$125,000		OTH	For the purpose of funding kitchen equipment for the Area Agencies on Aging
		11.640	\$125,000		GR	For the purpose of funding adult day care grants
12	Secretary of State	12.100	\$31,153		OTH	For the purpose of funding library networking grants



House			Amount			
<u>Bill</u>	<u>Department</u>	<u>Section</u>	<u>Vetoed</u>	<u>FTE</u>	<u>Fund</u>	<u>Remarks</u>
12	Secretary of State cont.	12.102	\$31,153		GR	For the purpose of funding the GR transfer to the library networking fund
12	Judiciary	12.200	\$7,500		GR	For the purpose of funding a salary increase for the staff of the Supreme Court
		12.240	\$60,340		GR	For the purpose of funding a law clerk in the Southern District Court of Appeals
16	Re-appropriations – Capital Improvements	Various	\$84,523,710		All	To bring the appropriated amount in line with the actual June 30, 2001 balance
		16.236	\$500,000		GR	For the purpose of funding a feasibility study at the Licking prision
19	Capital Improvements	19.086	\$818,171		GR	For the purpose of funding a lease purchase of 20 beds at the Northwest Missouri Psychiatric Hospital
		19.087	\$300,000		GR	For the purpose of funding renovation at the Nevada Regional Medical Center
		19.090	\$200,000		OTH	For the purpose of funding a transfer from the General Revenue Reimbursements Fund to General Revenue

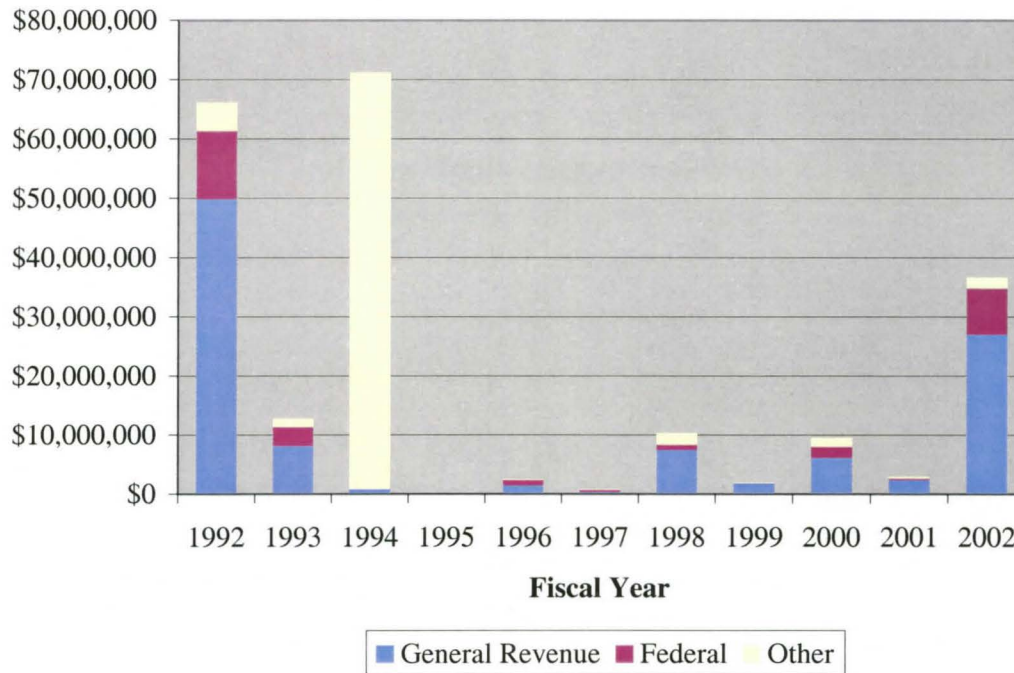
**TOTAL FY 2002 VETOES**

General Revenue	\$27,042,966
Federal	7,831,096
Other State Revenue	<u>1,775,000</u>
Total of FY 2002 Vetoes	\$36,649,062*
(FTE)	(32.00)

\*Veto total does not include the amounts vetoed from HB 16 vetoed to bring the appropriated amount in line with the actual June 30, 2001 balance. There were no vetoes in House Bills 1 (Public Debt), 13 Leasing), 14 (Tobacco), 17 (Reappropriations-Operating), and 18 (Maintenance & Repair).

# Governor Veto History

Fiscal Years 1992 - 2002



# CONSENSUS STATE REVENUE ESTIMATE & RECEIPTS

## FY 1999 thru FY 2002

The consensus revenue estimate calculated by the Office of Administration and the General Assembly attempts to provide an accurate revenue forecast for the upcoming fiscal year, based upon projections of both the national and state economic conditions and trends. The revenue estimate is one of the first areas that is analyzed before the state budget is formulated and is usually finalized in the December preceding the next fiscal year.

### CONSENSUS REVENUE ESTIMATE FOR FISCAL YEARS 2001 & 2002 For NET BASE GENERAL REVENUE COLLECTIONS

	Original Estimate FY 2001	Revised Estimate FY 2001(1)	Original Estimate FY 2002 (2)	Original Est. % Change
<b>GENERAL REVENUE:</b>				
Sales & Use Tax	\$1,832,200,000	\$1,858,300,000	\$1,942,000,000	5.99%
Individual Income Tax	4,465,000,000	4,568,700,000	4,859,500,000	8.84%
Corporate Income Tax	413,200,000	450,000,000	460,000,000	11.33%
County Foreign Insurance Tax	148,200,000	149,200,000	151,400,000	2.16%
Liquor Taxes and Licenses	20,000,000	20,500,000	20,500,000	2.50%
Beer Taxes and Licenses	8,000,000	8,200,000	8,300,000	3.75%
Corporate Franchise Tax	80,000,000	69,900,000	72,400,000	(9.50%)
Inheritance/Estate Tax	132,300,000	160,000,000	153,000,000	15.65%
Interest	75,000,000	50,000,000	60,000,000	(20.00%)
Federal Reimbursements	69,900,000	72,200,000	73,900,000	5.72%
Other Sources	113,000,000	115,000,000	118,000,000	4.42%
<b>TOTAL GENERAL REVENUE</b>	<b>\$7,356,800,000</b>	<b>\$7,522,000,000</b>	<b>\$7,919,000,000</b>	<b>7.64%</b>
*Less Refunds	(750,100,000)	(1,013,900,000)	(1,056,300,000)	40.82%
<b>NET BASE GENERAL REVENUE</b>	<b>\$6,606,700,000</b>	<b>\$6,508,100,000</b>	<b>\$6,862,700,000</b>	<b>3.87%</b>

### GENERAL REVENUE RECEIPTS FOR FISCAL YEAR 1999, 2000 & 2001 For NET BASE GENERAL REVENUE COLLECTIONS

	Receipts FY 99	Receipts FY 2000	Estimated Receipts FY 2001	FY 2000 vs. FY 2001 % Change
<b>GENERAL REVENUE:</b>				
Sales & Use Tax	\$1,745,391,196	\$1,778,013,368	\$1,808,800,000	1.73%
Individual Income Tax	4,083,321,778	4,265,956,783	4,582,600,000	7.42%
Corporate Income Tax	438,994,170	442,944,404	364,162,000	(17.79%)
County Foreign Insurance Tax	145,801,930	147,315,302	138,800,000	(5.78%)
Liquor Taxes and Licenses	19,314,275	20,356,943	21,000,000	3.16%
Beer Taxes and Licenses	8,645,805	8,165,045	8,100,000	(0.80%)
Corporate Franchise Tax	91,159,166	78,159,766	73,638,000	(5.79%)
Inheritance/Estate Tax	120,578,663	132,700,432	156,800,000	18.16%
Interest	85,394,483	69,497,934	57,800,000	(16.83%)
Federal Reimbursements	68,489,826	72,185,042	72,800,000	0.85%
Other Sources	104,498,839	117,586,057	106,500,000	(9.43%)
<b>TOTAL GENERAL REVENUE</b>	<b>\$6,911,590,131</b>	<b>\$7,132,881,076</b>	<b>\$7,391,000,000</b>	<b>3.62%</b>
*Less Refunds	(784,048,894)	(999,594,487)	(1,001,506,989)	0.19%
<b>NET BASE GENERAL REVENUE</b>	<b>\$6,127,541,237</b>	<b>\$6,133,286,589</b>	<b>\$6,389,493,011</b>	<b>4.18%</b>

(1) Source: Office of Administration (does not include Transfers In to General Revenue)

(2) Source: Governor's FY 2002 Executive Budget (does not include Transfers In to General Revenue)

\* Per section 136.035, RSMo, the Department of Revenue will pay refunds on any overpayment or erroneous payment of tax that the state collects. This includes, but may not be limited to, refund claims for senior citizens, sales, income, withholding, corporate, and other refunds.



## ESTIMATED FISCAL IMPACT OF LEGISLATION FOR FY 2002 – FY 2004

Ninety-one Senate Bills, one hundred and nine House Bills, one Senate Revision Bill, and one House Joint Resolution were “Truly Agreed To and Finally Passed” during the 91<sup>st</sup> General Assembly, 1<sup>st</sup> Regular Session, (2001). The Governor vetoed 5 Senate Bills and 3 House Bills.

Presented below is a summary of the estimated fiscal impact over the next three fiscal years (2002-2004) of the legislation passed by the General Assembly, excluding bills vetoed by the Governor. Numbers shown in parentheses, such as (100,000), represent a new cost to the respective fund. Positive numbers, such as 100,000, indicate income, cost avoidance or savings to the respective fund. Numbers shown in brackets, such as <100,000>, represent a loss of revenue, for example a reduction in taxes, to the respective fund.

The summary is based on information taken from the fiscal notes prepared for each bill by the Oversight Division, Committee on Legislative Research. Numbers do not include appropriations bills. When the fiscal impact of a bill included a range, the higher figure for costs and losses and the lower figure for income were used in calculating the fiscal impact. Actual costs may be higher or lower, depending on the actual appropriations.

	FY 2002	FY 2003	FY 2004
General Revenue:			
New Costs	\$(12,144,723)	\$(24,621,785)	\$(27,439,269)
Cost Avoidance/Savings	17,132,057	17,631,001	20,189,503
Loss of Revenue	<0>	<0>	<0>
Federal Funds:			
New Costs	(450,396,585)	(602,315,284)	(603,506,040)
Cost Avoidance/Savings	450,756,999	602,675,698	603,845,759
Loss of Revenue	<360,414>	<360,414>	<360,414>
Other Funds:			
New Costs	(20,373,933)	(8,794,437)	(24,971,415)
Cost Avoidance/Savings	10,995,780	19,082,278	34,418,112
Loss of Revenue	<0>	<0>	<0>
NET EFFECT	<4,390,819>	3,297,057	2,176,236

Detailed information on individual bills, including the fiscal note, can be obtained by contacting the Senate Appropriations Staff or accessing the Senate web page at [www.senate.state.mo.us](http://www.senate.state.mo.us) and the House web page at [www.house.state.mo.us](http://www.house.state.mo.us).

# MISSOURI STATE CAPITAL IMPROVEMENTS APPROPRIATIONS HISTORY: FY 1979 - FY 2002

Appropriation for Maintenance & New Construction					Maintenance by Fund Source				New Construction by Fund Source			
Fiscal Year	Maintenance & Repair	New Construction	ADA* Capital Improve.	Total Capital Improve.	General Revenue	Third State Building Fund	Fourth State Building Fund	Other	General Revenue	Third State Building Fund	Fourth State Building Fund	Other
1979	15,538,125	76,579,632	n/a	92,117,757	0	0	n/a	15,538,125	(81,672,696)	0	n/a	158,252,328
1980 <sup>1</sup>	17,606,024	85,285,841	n/a	102,891,865	0	0	n/a	17,606,024	(92,446,804)	0	n/a	177,732,645
1981	22,024,178	125,489,921	n/a	147,514,099	18,260,317	0	n/a	3,763,861	(137,069,038)	0	n/a	262,558,959
1982	11,555,707	34,735,838	n/a	46,291,545	4,961,672	0	n/a	6,594,035	(35,846,484)	0	n/a	70,582,322
1983 <sup>2</sup>	44,659,002	100,370,242	n/a	145,029,244	15,355,252	27,000,000	n/a	2,303,750	(134,584,183)	48,000,000	n/a	186,954,425
1984 <sup>3</sup>	42,500,000	37,461,900	n/a	79,961,900	0	42,500,000	n/a	0	(69,516,839)	7,500,000	n/a	99,478,739
1985	34,000,000	170,941,858	n/a	204,941,858	0	34,000,000	n/a	0	(194,496,797)	41,000,000	n/a	324,438,655
1986	80,031,920	464,859,605	n/a	544,891,525	0	80,000,000	n/a	31,920	(534,446,464)	320,000,000	n/a	679,306,069
1987	32,420,658	93,887,074	n/a	126,307,732	29,040,358	650,000	n/a	2,730,300	26,946,874	0	n/a	66,940,200
1988	36,762,491	74,438,519	n/a	111,201,010	3,201,891	29,750,000	n/a	3,810,600	12,184,480	5,250,000	n/a	57,004,039
1989	25,029,217	98,045,830	n/a	123,075,047	7,271,317	11,050,000	n/a	6,707,900	30,411,575	0	n/a	67,634,255
1990	25,438,134	75,556,935	n/a	100,995,069	13,360,320	8,095,900	n/a	3,981,914	12,410,583	3,863,776	n/a	59,282,576
1991	20,559,118	51,615,393	n/a	72,174,511	8,783,287	9,174,488	n/a	2,601,343	2,613,165	4,029,944	n/a	44,972,284
1992	6,077,412	51,026,239	n/a	57,103,651	102,000	4,278,421	n/a	1,696,991	5,842,469	1,678,665	n/a	43,505,105
1993	13,451,045	101,518,881	n/a	114,969,926	7,223,888	1,487,500	n/a	4,739,657	56,772,257	262,500	n/a	44,484,124
1994	15,105,914	69,432,398	38,507,704	123,046,016	5,323,903	0	n/a	9,782,011	17,790,470	0	n/a	51,641,928
1995	21,062,406	391,155,679	n/a	412,218,085	13,486,681	1,004,084	n/a	6,571,641	6,243,178	994,836	250,000,000	133,917,665
1996-97 <sup>4</sup>	45,979,315	363,397,366	n/a	409,376,681	33,338,894	0	0	12,640,421	192,356,673	0	0	171,040,693
1997	0	362,195,578	n/a	362,195,578	0	0	0	0	326,671,012	0	0	35,524,566
1998-99	60,158,925	490,660,340	1,124,000	551,943,265	26,146,444	1,402,500	0	32,609,981	247,900,896	247,500	4,150,000	239,485,944
1999	0	185,866,273	n/a	185,866,273	0	0	0	0	148,596,895	0	0	37,269,378
2000-01	59,269,229	485,464,477	2,000,951	546,734,657	2,677,106	0	0	56,592,123	90,851,785	0	11,824,800	384,788,843
2001	0	161,449,378	0	161,449,378	0	0	0	0	155,259,154	0	0	6,190,224
2002-03	89,978,254	74,532,065	0	164,510,319	70,311,606	0	0	19,666,648	6,916,295	0	0	67,615,770

<sup>1</sup> Fiscal Year 1980 includes the veto of \$49,150,000 for Truman State Office Building vetoed by the Governor (veto overridden).

<sup>2</sup> Fiscal Year 1983 includes appropriations from the 1983 Special Session.

<sup>3</sup> Fiscal Year 1984 includes appropriations from the 1984 Special Session.

<sup>4</sup> Fiscal Year 1996 biennial appropriations implemented.

\*ADA – Americans with Disabilities Act



**STATE OF MISSOURI  
GENERAL REVENUE FUND  
ESTIMATED REVENUES, EXPENDITURES AND TRANSFERS  
June 30, 2001**

<b>REVENUES AND TRANSFERS IN REVENUES:</b>	<b>Twelve Months Ended June 30, 2000</b>	<b>Twelve Months Ended June 30, 2001</b>	<b>Increase % (Decrease)</b>
Sales and Use Tax	\$1,778,013,368	\$1,808,809,285	1.7%
Individual Income Tax	4,265,956,783	4,582,649,687	7.4%
Corporate Income Tax	442,944,404	364,053,052	(17.8%)
County Foreign Insurance Tax	147,315,302	138,764,124	(5.8%)
Liquor Taxes and Licenses	20,356,943	20,976,034	3.0%
Beer Taxes and Licenses	8,165,045	8,120,855	(0.5%)
Corporate Franchise Tax	78,159,766	73,737,835	(5.7%)
Inheritance Tax	132,700,432	156,818,849	18.2%
Miscellaneous Tax	8,189,715	10,049,253	22.7%
Interest on Deposits, Taxes and Investments	69,497,934	57,822,570	(16.8%)
Licenses, Fees and Permits	67,935,109	58,325,064	(14.1%)
Sales, Services, Leases and Rentals	81,831,961	83,481,191	2.0%
Refunds	12,320,839	11,704,893	(5.0%)
Interagency Billings/Inventory	6,648,093	911,329	(86.3%)
All Other Sources	12,845,382	63,543,089	394.7%
Total Revenues	7,132,881,076	7,439,767,110	4.3%
Total Transfers In	328,804,817	861,761,263	162.1%
<b>TOTAL REVENUES AND TRANSFERS IN</b>	<b>7,461,685,893</b>	<b>8,301,528,373</b>	<b>11.3%</b>
<b>EXPENDITURES AND TRANSFERS OUT:</b>			
Expenditures	5,193,152,816	5,189,152,918	(0.1%)
Transfers Out	2,650,115,079	3,337,248,988	25.9%
<b>TOTAL EXPENDITURES AND TRANSFERS OUT</b>	<b>7,843,267,895</b>	<b>8,526,401,906</b>	<b>8.7%</b>
<b>EXCESS REVENUES AND TRANSFERS IN (EXPENDITURES AND TRANSFERS OUT)</b>	<b>(\$381,582,002)</b>	<b>(\$224,873,533)</b>	

Source: The information provided was taken from the Financial Summary dated June 30, 2001, prepared by the Office Of Administration, Division of Accounting



# **Section II**

## **Topics of Interest**

**TAX CREDIT ANALYSIS - Redeemed Tax Credits w/ Department of Revenue & Insurance**  
**Fiscal Impact to Treasury for Fiscal Year Ending June 30, 2001**

	June		Year-to-Date		Fiscal Year Comparison			
	FY 2000	FY 2001	FY 2000	FY 2001	FY 1998	FY 1999	FY 2000	FY 2001
<b><u>Tax Credits Redeemed by Tax Credit Category</u></b>								
Corporate Income Tax	2,128,667	1,137,315	65,711,731	60,184,242	33,260,141	39,126,118	65,711,731	60,184,242
Fiduciary Tax	85,800	-	2,712,120	327,573	1,924	3,298,417	2,712,120	327,573
Financial Tax	392,354	29,855	4,253,056	3,045,054	3,213,899	1,337,567	4,253,056	3,045,054
Franchise Tax	68,747	344,023	2,952,422	3,686,582	3,460,966	5,855,690	2,952,422	3,686,582
Individual Income Tax	5,935,243	12,004,753	168,132,406	267,614,586	46,661,489	75,390,497	168,132,406	267,614,586
Withholding Tax	1,066,711	777,282	10,888,919	11,476,115	8,669,495	9,190,424	10,888,919	11,476,115
	9,677,522	14,293,228	254,650,654	346,334,152	95,267,914	134,198,713	254,650,654	346,334,152

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<b><u>Tax Credits Redeemed by Major Tax Credit</u></b>								
Senior Citizen Circuit Breaker	n/a (2)	5,136,640	56,623,024	101,523,060	25,241,004	52,351,205	56,623,024	101,523,060
Pharmaceutical Tax Credit	n/a (2)	10,779,052	64,769,057	75,816,984	-	-	64,769,057	75,816,984
Certified Capital Co. (CAPCO) - issued annually			12,034,754	12,569,860	4,191,694	9,119,800	12,034,754	12,569,860

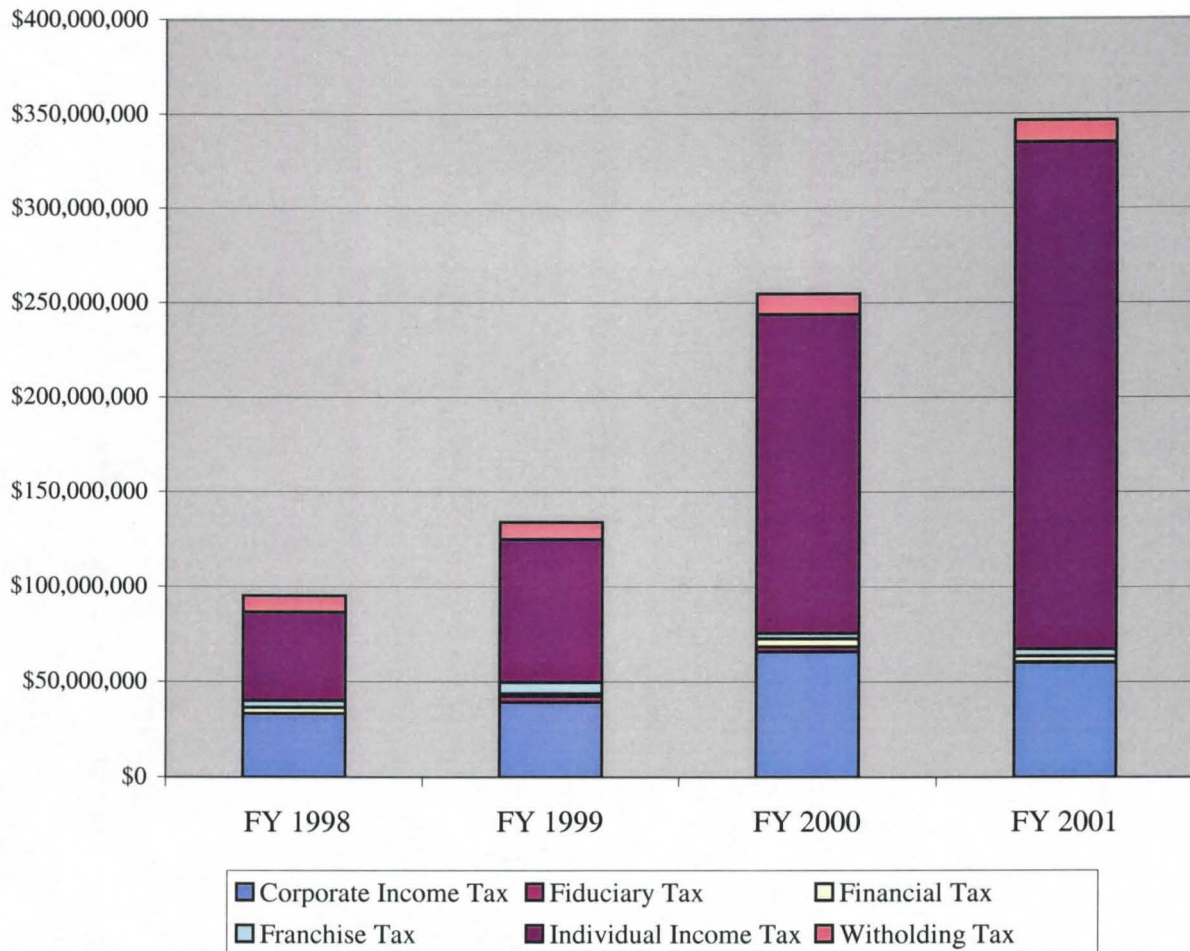
**Largest Remittance Year-to-Date Increases**

Senior Citizen Circuit Breaker (Individual)	56,623,024	101,523,060	79.30%
Pharmaceutical Tax Credit (Individual)	64,769,057	75,816,984	17.06%
Historic Preservation (Individual, Corporate & Other)	7,441,018	30,522,452	310.19%
Affordable Housing (Individual, Corporate & Other)	3,603,152	11,085,140	207.65%

(1) Enterprize Zone tax credits are estimated at 6% of the amount issued to determine cost to the treasury.

(2) In FY 2000, the pharmaceutical tax credit was coded into the circuit breaker and individual income tax objects then adjusted at fiscal year end.

### Tax Credit Impact on Treasury



	FY 1998	FY 1999	FY 2000	FY 2001
Corporate Income Tax	33,260,141	39,126,118	65,711,731	60,184,242
Fiduciary Tax	1,924	3,298,417	2,712,120	327,573
Financial Tax	3,213,899	1,337,567	4,253,056	3,045,054
Franchise Tax	3,460,966	5,855,690	2,952,422	3,686,582
Individual Income Tax	46,661,489	75,390,497	168,132,406	267,614,586
Withholding Tax	8,669,495	9,190,424	10,888,919	11,476,115
Totals	95,267,914	134,198,713	254,650,654	346,334,152



## TOBACCO SETTLEMENT PROCEEDS

In 1997, the state of Missouri sued 18 tobacco companies on the basis of violations of the Missouri Merchandising Act and antitrust laws, as well as for reimbursement for health care costs and a variety of other claims. In November 1998, Missouri entered into the Master Settlement Agreement ("MSA") in resolution of the litigation in the Circuit Court of the City of St. Louis. Missouri agreed to dismiss all claims in exchange for a series of monetary payments, continued for at least 25 years, and non-monetary benefits, such as a prohibition against certain tobacco advertising. The court approved the settlement on March 5, 1999. Several parties, including public hospitals and other political subdivisions of the state, appealed the MSA and the denial of motions to intervene in the case at the trial level. The Missouri Court of Appeals, Eastern District, upheld the decision of the trial court to approve the settlement, and the Missouri Supreme Court accepted the transfer of the appeal. The Missouri Supreme Court issued its opinion approving the settlement on December 12, 2000. The Treasury of the State of Missouri received its first payment of \$338.7 million on May 12, 2001.

### Settlement Proceeds

The MSA provides that tobacco companies will make payments into an escrow account from which moneys will be disbursed to the state. Missouri's share is estimated at \$4.5 billion over 25 years. This estimate includes adjustments, reductions and offsets, which are calculated on a yearly basis. A schedule of payments and the estimated revenues is shown below.

<u>Fiscal Year</u>	<u>Amount (in millions of dollars)</u>
FY 2001	\$ 338.7 (actual)
FY 2002	\$ 162.4
FY 2003	\$ 164.4
FY 2004	\$ 143.4
FY 2005	\$ 144.8
FY 2006	\$ 146.3
FY 2007	\$ 147.7
FY 2008	\$ 164.7
FY 2009	\$ 166.4
FY 2010-2025	<u>\$2,954.0</u>
Total	\$4,532.8

### Legislative Action

The legislative response to the settlement during the 1999, 2000, and 2001 sessions included proposals to avoid litigation on the Article X (Hancock amendment) issue by passing a constitutional amendment to exclude all or part of the tobacco settlement proceeds from the revenue cap. Other proposals focused on dividing the proceeds for specified purposes, authorizing the state's future interest in the proceeds through the sale of bonds, and creating an endowment fund. Though the General Assembly did not enact any of the above through legislation, the Governor issued an Executive Order (01-05) on February 12, 2001 creating a Health Families Trust Fund within the state treasury.

The Executive Order created 5 accounts within the Fund: Early Childhood Care and Education Account; Life Sciences Research Account; Tobacco Prevention, Education and Cessation Account;

Health Care Treatment and Access Account; and Senior Catastrophic Prescription Drug Account. The Executive Order did not appropriate any funds or dictate any percentages for funding allocations to any account. It directed the Office of Administration to receive and expend tobacco settlement money in accordance with the budget submitted to the General Assembly as amended and truly agreed to and finally passed bills signed by the Governor.

On June 22, 2001 the Governor signed House Bill 14 as truly agreed to and finally passed by the General Assembly. House Bill 14 contains only appropriations for Fiscal Year 2002 for the purpose of expending tobacco settlement proceeds. Funding includes:

Health Care	\$ 113.5 million
Early Childhood	\$ 14.4 million
Life Sciences	\$ 21.6 million
Tobacco Prevention	\$ 22.2 million
Prescription Drugs*	\$ 279.4 million
Endowment Fund	<u>\$ 50.0 million</u>
Total	\$ 501.1 million

A summary is listed on the following page.

\*Note: A portion of the cost of the prescription drug program was appropriated in the Fiscal Year 2001 supplemental appropriation bill (House Bill 15).



## **HB 14 – Tobacco Funds Appropriations Summary**

### **Health Care (45.3% of ongoing funds)**

UMC Telemedicine Project (one time funds)	\$3,400,000
Public Safety Firefighter Training (one time funds)	\$600,000
Department of Health – Healthy Communities	\$1,864,950
Department of Health – Healthy Communities Workforce Initiative	\$243,700
Payments to disproportionate share hospitals and expand Medicaid (\$20,000,000 is one time funds)	\$76,051,000
Federally Qualified Health Center	\$5,000,000
State Health Lab Building (one time funds)	\$25,000,000
Department of Health – Childhood Lead Screenings	<u>\$1,340,350</u>
<b>TOTAL</b>	<b>\$113,500,000</b>

### **Early Childhood (10.1% of ongoing funds)**

Parents as Teachers	\$6,092,500
Regional Accreditation of Preschools	\$365,550
Department of Health – Home Visitation Program	\$852,950
Department of Health – Childcare Improvement Program	\$487,400
Department of Social Services – Early Childhood Income Eligibility	\$2,680,700
Department of Social Services – Coordination of Early Childhood Programs	\$243,700
Department of Social Services – Early Childhood Head Start Expansion	\$1,584,050
Department of Social Services – Early Childhood Community Grants	\$901,960
6-County Bootheel Community Grant Initiative	\$243,700
Department of Social Services – Transitional Childcare	\$852,950
Unobligated fund balance	<u>\$92,540</u>
<b>TOTAL</b>	<b>\$14,400,000</b>

### **Life Sciences (15.2% of ongoing funds)**

Life Sciences Research	\$21,600,000
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### **Tobacco Use Prevention (15.6% of ongoing funds)**

Department of Health – Tobacco Use Prevention	\$19,563,300
80% Directed to Kansas City, St. Louis, Bootheel for Youth Prevention	<u>\$2,636,700</u>
<b>TOTAL</b>	<b>\$22,200,000</b>

### **Prescription Drugs (13.8% of ongoing funds)**

Current pharmaceutical tax credit program (FY 2001 Supplemental)	\$126,900,000
Current pharmaceutical tax credit program (FY 2002)	\$89,300,000
Set aside for current or new program (FY 2003, \$43.4 million one time)	<u>\$63,200,000</u>
<b>TOTAL</b>	<b>\$279,400,000</b>

### **Endowment**

Endowment set aside (one time funds)	\$50,000,000
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**GRAND TOTAL      \$501,100,000**



## BUDGET RESERVE FUND

The Budget Reserve Fund was proposed by SJR 25, 90<sup>th</sup> General Assembly, First Regular Session, 1999, and passed by voters in the November 2000 general election. The new fund combines the Budget Stabilization Fund and the Cash Operating Reserve Fund to provide funding for a response to natural disasters and to provide temporary financial assistance for state government programs when there is a revenue shortfall. The balances of the two existing funds were transferred into the new fund on December 12, 2000. The Budget Stabilization Fund transferred a balance of \$146,448,373, and the Cash Operating Reserve Fund transferred a balance of \$59,511,965. Repayments of loans from the Budget Stabilization Fund and Cash Operating Reserve Fund are repaid into the new Budget Reserve Fund. These loan repayments have increased the balance of the Budget Reserve Fund significantly since the transfer of balances on December 12, 2000.

The new combined fund has a cap of 7.5% of net General Revenue receipts with the General Assembly having the power to increase the cap to 10% for a particular purpose. Excess amounts shall be transferred to general revenue. The Commissioner of Administration may transfer amounts from the Budget Reserve Fund if a fund balance is insufficient. Any cash operating transfers must be repaid with interest by May 15<sup>th</sup> of the fiscal year. If the Governor reduces a department's appropriation level due to a revenue shortfall, or if funds are required to assist the state due to a natural disaster, the Governor, with two-thirds approval from both houses, may appropriate funds from the Budget Reserve Fund to the department. One-third of the amount transferred may be repaid in each of the following three years with interest.

No more than one-half the money in the fund may be appropriated for budget stabilization purposes at any one time. If the balance falls below 7.5% of net general revenue, the difference shall be transferred from general revenue to the budget reserve fund.

Budget Reserve Fund	
<u>Balance as of June 30<sup>th</sup> of Fiscal Year</u>	
Fiscal Year 2002	\$451,979,499

## Calculation of Total State Revenue

In November, 1980, Missouri citizens approved an amendment to Article X of the Missouri Constitution limiting the amount of tax revenue the State may collect in any fiscal year. The amendment, referred to as the Hancock Amendment, established a ratio between personal income and total state revenues for fiscal year 1981 and used that ratio to set the Total State Revenue (TSR) limit for subsequent years.

The ratio is .056395. For FY 2002, this ratio is applied to the United States Department of Commerce's calculation of Missouri personal income for calendar year 2000 to establish the fiscal year 2002 revenue limit.

The Hancock Amendment defines total state revenues as "all general and special revenues, license and fees, excluding federal funds as defined in the budget message of the Governor for fiscal year 1980-1981." Because the limit is actually on the General Assembly's power of taxation, revenues generated by taxes approved by voters after the adoption of the amendment are excluded from the calculation of TSR. Revenues generated by any agency acting on voter approval, i.e., the Missouri Lottery, are excluded. Also, the calculation excludes refunds of any tax included in TSR.

If in any fiscal year, TSR exceeds the limit by 1% or more, the amount of the excess is to be refunded pro rata based on the taxpayer income tax liability reported on the annual Missouri income tax returns filed in the following year. If the limit is exceeded by an amount of less than 1%, the excess is transferred to the General Revenue Fund.

In any fiscal year, the revenue limit may be exceeded if: the Governor asks the General Assembly to declare an emergency and the nature of the emergency and its cost to the state are clearly specified by the Governor; and the General Assembly declares an emergency by a two-thirds majority vote. The emergency must be declared prior to the expenditure of any "excess" revenue. Refunds resulting from provisions of the amendment cannot be the subject of any request to declare an emergency.

The Hancock Amendment includes further provisions limiting tax increases of political subdivisions and limits state government's flexibility to reduce support or impose new responsibilities on to local governments. This material is beyond the scope of this text. Interested persons should refer to the Missouri Constitution, Article X, §§ 21 and 22.

The following page contains the calculation of TSR for fiscal years 1995 through 2000, with estimated amounts fiscal years 2001-2004 and shows the relationship between TSR and the revenue limit.



## TOTAL STATE REVENUE PROJECTIONS

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
TOTAL STATE REVENUE (TSR)	5,952.2	6,386.9	6,908.7	7,155.1	7,343.7	7,371.7	7,748.2	8,116.3	8,568.1	8,911.2
(Conservation \$ included 1995: \$69.61, 1996: \$73.06, 1997: \$76.3)										
REVENUE LIMIT AND REFUND THRESHOLD (Base Ratio .056395)										
Revenue Limit	5,804.6	6,151.7	6,584.5	6,988.4	7,244.8	7,751.9	8,175.4	8,577.9	8,974.3	9,389.2
1 percent adjustment	58.0	61.5	65.8	69.9	72.4	77.5	81.8	85.8	89.7	93.9
Refund Threshold	5,862.6	6,213.2	6,650.3	7,058.3	7,317.3	7,829.4	8,257.2	8,663.7	9,064.0	9,483.1
REFUND CALCULATION										
TSR	5952.2	6386.9	6908.7	7155.1	7343.7	7371.7	7748.2	8116.3	8568.1	8911.2
Less refund threshold	5862.6	6213.2	6650.3	7058.3	7317.3	7829.4	8257.2	8663.7	9064.0	9483.1
Over (under) threshold	89.6	173.7	258.4	96.9	26.4	(457.7)	(509.0)	(547.4)	(495.9)	(571.9)
1 percent adjustment	58.0	61.5	65.8	69.9	72.4	n/a	n/a	n/a	n/a	n/a
REFUND	147.6	235.2	324.2	166.7	98.9	No Refund	No Refund	No Refund	No Refund	No Refund
ACTUAL REFUND *	147.1	229.1	318.8	178.8	98.9	No Refund	No Refund	No Refund	No Refund	No Refund
DIFFERNCE WITH ADJUSTED REFUND	(0.5)	(6.1)	(5.4)	12.1	0.0	No Refund	No Refund	No Refund	No Refund	No Refund

\* includes \$12.1 million for final determination by the Missouri Supreme Court in Kelly v. Hanson for FY 1995 to FY 1997

## TOTAL STATE REVENUE PROJECTIONS - Including Tobacco Settlement Revenues

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
TOTAL STATE REVENUE (TSR)	5,952.2	6,386.9	6,908.7	7,155.1	7,343.7	7,371.7	7,748.2	8,116.3	8,568.1	8,911.2
Tobacco Settlement Payment Estimate							319.5	162.4	164.0	143.4
Adjusted TSR	5,952.2	6,386.9	6,908.7	7,155.1	7,343.7	7,371.7	8,067.7	8,278.7	8,732.1	9,054.6
REVENUE LIMIT AND REFUND THRESHOLD (Base Ratio .056395)										
Revenue Limit	5,804.6	6,151.7	6,584.5	6,988.4	7,244.8	7,751.9	8,175.4	8,577.9	8,974.3	9,389.2
1 percent adjustment	58.0	61.5	65.8	69.9	72.4	77.5	81.8	85.8	89.7	93.9
Refund Threshold	5,862.6	6,213.2	6,650.3	7,058.3	7,317.3	7,829.4	8,257.2	8,663.7	9,064.0	9,483.1
REFUND CALCULATION										
TSR	5952.2	6386.9	6908.7	7155.1	7343.7	7371.7	8067.7	8278.7	8732.1	9054.6
Less refund threshold	5862.6	6213.2	6650.3	7058.3	7317.3	7829.4	8257.2	8663.7	9064.0	9483.1
Over (under) threshold	89.6	173.7	258.4	96.9	26.4	(457.7)	(189.5)	(385.0)	(331.9)	(428.5)
1 percent adjustment	58.0	61.5	65.8	69.9	72.4	n/a	n/a	n/a	n/a	n/a
REFUND	147.7	235.3	324.3	166.7	98.9	No Refund	No Refund	No Refund	No Refund	No Refund
ACTUAL REFUND	147.1	229.1	318.8	178.8	98.9	No Refund	No Refund	No Refund	No Refund	No Refund
DIFFERENCE WITH ADJUSTED REFUND	(0.6)	(6.2)	(5.5)	12.1	0.0	No Refund	No Refund	No Refund	No Refund	No Refund

\* includes \$12.1 million for final determination by the Missouri Supreme Court in Kelly v. Hanson for FY 1995 to FY 1997



## **State of Missouri**

### **Bonded Indebtedness**

The General Assembly is authorized by constitutional and statutory provisions to authorize the issuance of debt for various purposes. The Board of Fund Commissioners and the Board of Public Buildings are responsible for managing the state's issuance of general obligation instruments and revenue bonds, respectively. In addition, the General Assembly has created several financing authorities responsible for raising capital via debt issuance for specific purposes.

#### **General Obligation Instruments**

The State of Missouri presently has several outstanding issues of Water Pollution Control (WPC), Third State Building (TSB), Fourth State Building (FSB), and Stormwater Control Bonds (SWB) general obligation bonds. WPC bonds provide funding for various projects aimed at protecting the environment through the control of water pollution. TSB bonds provide funding for necessary improvements to state buildings and property. FSB bonds provide funding for improvements of buildings and property of higher education institutions, the Department of Corrections, and the Division of Youth Services. SWB bonds provide funds for state use to protect the environment through the control of stormwaters. All are secured by a pledge of the full faith and credit of the state of Missouri.

The Constitution of the State of Missouri establishes limits for WPC, TSB and FSB bonds. The constitutional limit on WPC bonds is \$725 million (Article III, § 37(b), 37(c), 37(e), Missouri Constitution). The constitutional limit on TSB bonds is \$600 million (Article III, § 37(d), Missouri Constitution). The constitutional limit on FSB bonds is \$250 million (Article III, § 37 (f), Missouri Constitution). The constitutional limit on SWB bonds is \$200 million (Article III, § 37(h). The amount of WPC bonds that remain authorized but not yet issued is \$230,505,760. All third and fourth state building bonds have been issued. The amount of SWB bonds that remain authorized but not yet issued is \$180,000,000. There is no remaining amount of authorization to be issued for the TSB and FSB bonds.

The Board of Fund Commissioners may issue additional WPC and TSB bonds for the purpose of refunding prior issues at lower rates of interest. Principal amounts of the refunding issues are not subject to the respective constitutional limits.

#### **Revenue Bonds**

Upon approval of the General Assembly, the Board of Public Buildings is authorized to issue revenue bonds for state building projects to house state agencies. The Department of Natural Resources (DNR) is also authorized to issue revenue bonds with the General Assembly's approval. DNR uses revenue bond proceeds for the acquisition and/or development of park facilities.

Revenue bonds are secured by revenues generated from the projects they finance and are not backed by the full faith and credit of the state. Section 8.420, RSMo, limits revenue bond issuance by the Board of Public Buildings to \$229 million. Sections 253.210-253.280, RSMo, limit revenue bonds issued by DNR to \$5,167,000 for state parks.



Both the Board of Public Buildings and DNR are allowed by statute to issue bonds for the purpose of refunding outstanding issues. As with general obligation bonds, revenue bonds are refunded when lower rates of interest are available. Since 1983, the Board has issued \$299,060,000 of refunding bonds, referred to as State Building Special Obligation Refunding Bonds, saving the state an estimated \$17.5 million. The Department of Natural Resources has not issued any refunding bonds.

In May of 2001, the Board issued \$173,870,000 principal amount of State Building Special Obligation Bonds, Series A 2001 for the purpose of financing the Jefferson City Correctional Center, the Western Missouri Mental Health Center, the Department of Natural Resources Office Building, to purchase a building presently being leased by the State and pay certain costs of issuance of the Bonds.

### **Other Debt Issuances**

On August 15, 1991, the St. Louis Regional Convention and Sports Complex Authority issued \$132,910,000 of Convention and Sports Facility Project bonds for the eastern expansion of the existing Cervantes Convention Center in St. Louis. These bonds are limited obligations of the Authority and do not constitute a pledge of the full faith and credit of the state. However, under a financing agreement dated August 1, 1991, appropriations are made from General Revenue to pay the principal and interest due each year. The Regional Convention and Sports Complex Authority issued \$121,705,000 of Convention and Sports Facility Refunding Bonds in December, 1993.

On April 15, 1997, the Springfield, Missouri State Highway Improvement Corporation issued \$16,440,000 of transportation revenue bonds for improvements to various projects of the Highway and Transportation Commission and the City of Springfield. Under an agreement between the two entities, the Commission will pay \$9,582,074 to the Corporation to pay for principal and interest due on the bonds. The City of Springfield will pay the remainder of the debt service requirements.

On August 1, 1999 the Springfield, Missouri State Highway Improvement Corporation issued \$17,240,000 of Springfield, Missouri State Highway Improvement Corporation Transportation Revenue Bonds Series 1999 for the purpose of financing improvements to various projects of the Highway and Transportation Commission and the City of Springfield. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. However, under an amended financing agreement dated August 5, 1999, the Missouri Highway and Transportation Commission will make payments to the corporation in amounts sufficient to pay principal and interest due on \$11,650,655 of bonds. The City of Springfield will pay the remainder of the debt service requirements.

On September 1, 1997 the Missouri Highway 179 Transportation Corporation issued \$22,930,000 of highway revenue bonds for the purpose of acquisition of right-of-way and construction of an extension of Missouri Highway 179 from U.S. Highway 50 to Route B in Cole County, Missouri. At the same time, the Highway and Transportation Commission entered into a financing agreement to make payment to the Corporation in amounts sufficient to pay principal and interest due on \$18,385,625 of bonds. The City of Jefferson and the County of Cole will pay the remainder of the debt service requirements.



The 210 Highway Transportation Development District issued \$7,115,000 of district Revenue Bonds Series A 1999 dated July 15, 1999. These bonds are not an obligation of the Corporation and do not constitute a pledge of the full faith and credit of the State. However, under a financing agreement the Missouri Highway and Transportation Commission will make payments to the Corporation in amounts sufficient to pay principal of \$7,115,000 of bonds.

The Missouri Highways and Transportation Commission authorized by the State Highway Act, issued \$250,000,000 of State Road Bonds Series A 2000 dated December 1, 2000, for the purpose of providing funds to finance project costs for highway construction and repairs scheduled in the five-year plan, to fund capitalized interest on the series, and to fund related issuance cost. The principal and interest of the State Road Bonds are payable solely from the State Road Fund's revenues as provided in the Missouri Constitution.

### **Lease/Purchase Agreements**

On March 1, 1994 Missouri Public Facilities Corporation sold Certificates of Participation (Acute Care Psychiatric Hospital Project) Series A 1994 in the amount of \$22,250,000. The State of Missouri entered into a lease/purchase agreement to lease the acute care psychiatric hospital. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates.

On April 1, 1995, the Missouri PRC Corporation sold Certificates of Participation (Psychiatric Rehabilitation Center Project) Series A 1995 in the amount of \$19,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On July 1, 1995, the Northwest Missouri Public Facilities Corporation sold Certificates of Participation (Northwest Missouri Psychiatric Rehabilitation Center Project) Series B 1995 in the amount of \$14,795,000. The State of Missouri entered into a lease/purchase agreement to lease the psychiatric rehabilitation center. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the General Assembly.

On May 27, 1999 the Missouri Public Facilities Corporation II sold Certificates of Participation (Bonne Terre Prison Project) Series A 1999 in the amount of \$106,190,000. At the same time, the State of Missouri entered into a lease/purchase agreement to lease the prison. The certificates of participation represent proportionate ownership interests of the certificate holders in the lease agreement. The certificates do not constitute a pledge of the full faith and credit of the State. Payments under the lease agreement have been structured in amounts sufficient to pay principal and interest on the certificates, and are subject to annual appropriation by the State legislature.

*The information provided was taken from the Financial Summary dated June 30, 2001, prepared by the Office of Administration, Division of Accounting.*



**STATE OF MISSOURI  
STATE INDEBTEDNESS  
June 30, 2001**

	<u>Series</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
<b>General Obligation Bonds:</b>				
Water Pollution Control	Series A 1991	1992 – 2001	\$ 35,000,000	\$ 1,020,000
Water Pollution Control-Refunding	Series B 1991	1992 – 2001	17,435,000	925,000
Water Pollution Control-Refunding	Series C 1991	1992 – 2012	33,575,000	23,655,000
Water Pollution Control	Series A 1992	1993 – 2017	35,000,000	28,645,000
Water Pollution Control-Refunding	Series B 1992	1993 – 2010	50,435,000	39,450,000
Water Pollution Control	Series A 1993	1994 – 2018	30,000,000	25,050,000
Water Pollution Control-Refunding	Series B 1993	1994 – 2016	109,415,000	94,615,000
Water Pollution Control	Series A 1995	1996 – 2020	30,000,000	26,045,000
Water Pollution Control	Series A 1996	1997 – 2021	35,000,000	31,825,000
Water Pollution Control	Series A 1998	1998 – 2023	35,000,000	32,495,000
Water Pollution Control	Series A 1999	2000 – 2025	<u>20,000,000</u>	<u>19,555,000</u>
Subtotal			430,860,000	323,280,000
Third State Building-Refunding	Series A 1991	1992 – 2001	34,870,000	1,830,000
Third State Building-Refunding	Series B 1991	1992 – 2012	71,955,000	51,095,000
Third State Building-Refunding	Series A 1992	1993 – 2010	273,205,000	215,795,000
Third State Building-Refunding	Series A 1993	1994 – 2012	<u>148,480,000</u>	<u>112,200,000</u>
Subtotal			528,510,000	380,920,000
Fourth State Building	Series A 1995	1996 – 2020	75,000,000	65,115,000
Fourth State Building	Series A 1996	1997 – 2021	125,000,000	113,655,000
Fourth State Building	Series A 1998	1998 – 2023	<u>50,000,000</u>	<u>46,425,000</u>
Subtotal			<u>250,000,000</u>	<u>225,195,000</u>
Stormwater Control	Series A 1999	2000 – 2025	<u>20,000,000</u>	<u>19,555,000</u>
<b>Total General Obligation Bonds</b>			<b><u>\$1,229,370,000</u></b>	<b><u>\$ 948,950,000</u></b>
<b>Revenue Bonds:</b>				
Board of Public Buildings-Refunding	Series A 1991	1992 – 2012	\$ 148,500,000	\$ 86,810,000
Board of Public Buildings	Series A 2001	2002 – 2026	<u>173,870,000</u>	<u>173,870,000</u>
Subtotal			<u>322,370,000</u>	<u>260,680,000</u>
<b>Other Bonds:</b>				
Regional Convention and Sports Complex Authority:				
Project Bonds	Series A 1991	1992 – 2021	\$ 132,910,000	\$ 8,025,000
Project Bonds-Refunding	Series A 1993	1994 – 2021	<u>121,705,000</u>	<u>114,685,000</u>
Subtotal			<u>254,615,000</u>	<u>122,710,000</u>
Springfield, Missouri State Highway Improvement Corporation:				
Transportation Revenue Bonds	Series 1997	2000 – 2003	10,507,857*	6,723,858*
Transportation Revenue Bonds	Series 1999	2000 – 2005	<u>11,368,588*</u>	<u>10,897,299*</u>
Subtotal			<u>21,876,445*</u>	<u>17,621,157*</u>
Missouri Highway 179 Transportation Corporation:				
Transportation Revenue Bonds	Series 1997	2000 – 2008	18,385,625	14,132,860

Missouri 210 Highway Transportation Corporation:			
District Revenue Bonds	Series A 1999 2000 – 2009	7,115,000	7,115,000
Missouri Highway and Transportation Commission			
State Road Bonds	Series A 2000 2002 – 2020	<u>250,000,000</u>	<u>250,000,000</u>
<b>Total Other Bonds</b>		<b><u>\$ 551,992,070</u></b>	<b><u>\$ 411,579,017</u></b>
<b>Lease/Purchase Agreements:</b>			
Acute Care Psychiatric Hospital	Series A 1994 1995 – 2014	22,250,000	17,740,000
Psychiatric Rehabilitation Center	Series A 1995 1997 – 2015	19,190,000	16,585,000
NW Missouri Psy. Rehab Center	Series B 1995 1997 – 2016	14,795,000	12,330,000
MO Public Facilities Corp II,			
Bonne Terre Prison	Series A 1999 1999 – 2019	<u>106,190,000</u>	<u>99,330,000</u>
<b>Total Lease/Purchase Agreements</b>		<b><u>\$ 162,425,000</u></b>	<b><u>\$ 145,985,000</u></b>
<b>TOTAL STATE INDEBTEDNESS</b>		<b><u>\$2,266,157,070</u></b>	<b><u>\$1,767,194,017</u></b>

\*Amounts changed due to issuance of Transportation Revenue Bond, Series 1999

Source: The information provided was taken from the Financial Summary dated June 30, 2001, prepared by the Office of Administration, Division of Accounting.



STATE OF MISSOURI  
STATE INDEBTEDNESS  
DEBT RETIREMENT SCHEDULE - PRINCIPAL AND INTEREST  
June 30, 2001

Fiscal Year Ending June 30	Board of Fund Commissioners					Regional Convention and Sports Complex Authority (1)	Springfield MO State Highway Improvement Corporation
	Water Pollution Control Bonds	Third State Building Bonds	Fourth State Building Bonds	Stormwater Control Bonds	Board of Public Buildings		
2001	***	***	***	***	***	***	***
2002	32,590,292	50,548,313	18,809,770	1,506,281	25,937,714	10,000,000	5,000,000
2003	32,591,022	50,711,832	18,709,008	1,500,741	24,834,753	10,000,000	5,000,000
2004	32,722,225	50,532,135	18,588,820	1,487,951	24,774,769	10,000,000	5,000,000
2005	32,757,111	50,880,757	18,463,196	1,472,301	24,790,910	10,000,000	5,000,000
2006	32,747,158	50,731,855	18,357,438	1,463,251	24,744,770	10,000,000	3,667,000
2007	32,885,020	50,921,535	18,314,220	1,463,106	24,732,490	10,000,000	***
2008	32,935,477	51,002,953	18,283,083	1,461,246	24,645,895	10,000,000	***
2009	30,932,964	46,913,839	18,275,450	1,455,084	24,532,485	10,000,000	***
2010	28,755,746	39,634,306	18,257,800	1,449,647	24,392,160	10,000,000	***
2011	26,954,981	33,419,563	18,251,985	1,444,800	14,703,105	10,000,000	***
2012	21,759,384	5,567,738	18,234,135	1,440,293	14,687,225	10,000,000	***
2013	21,793,870	5,624,700	18,229,182	1,438,436	14,637,635	10,000,000	***
2014	18,812,198	***	18,218,594	1,439,101	12,357,675	10,000,000	***
2015	18,825,571	***	18,201,593	1,437,296	12,306,000	10,000,000	***
2016	15,971,508	***	18,197,712	1,432,981	12,257,550	10,000,000	***
2017	15,993,062	***	18,196,356	1,430,869	12,216,225	10,000,000	***
2018	13,537,682	***	18,212,463	1,425,898	12,212,975	10,000,000	***
2019	10,857,262	***	18,214,719	1,422,998	12,211,431	10,000,000	***
2020	8,660,799	***	18,212,831	1,421,999	12,204,387	10,000,000	***
2021	6,387,262	***	12,522,006	1,417,725	12,221,888	10,000,000	***
2022	6,379,813	***	12,515,725	1,410,163	12,231,887	5,000,000	***
2023	3,845,688	***	3,486,000	1,404,438	12,248,638	***	***
2024	1,400,275	***	***	1,400,275	12,265,637	***	***
2025	1,397,400	***	***	1,397,400	12,286,638	***	***
2026	***	***	***	***	12,310,138	***	***
	<u>\$481,493,770</u>	<u>\$486,489,526</u>	<u>\$376,752,086</u>	<u>\$34,624,280</u>	<u>\$426,744,980</u>	<u>\$205,000,000</u>	<u>\$23,667,000</u>

(1) - Represents funding for the TWA Dome Stadium & Convention Center in St. Louis.



STATE OF MISSOURI  
STATE INDEBTEDNESS  
DEBT RETIREMENT SCHEDULE - PRINCIPAL AND INTEREST  
June 30, 2001

Fiscal Year ending June 30	Missouri 210 Highway Transportation Corporation	Missouri Highway 179 Transportation Corporation	Missouri Highways and Transportation Commission	Missouri Public Facilities Corporation	Missouri PRC Corporation	Northwest Missouri Public Facilities Corporation	Missouri Public Facilities Corporation II	Totals
2001	***	***	***	***	***	***	***	***
2002	***	2,233,572	21,950,894	1,821,687	1,655,572	1,236,092	8,405,598	181,695,785
2003	***	2,300,579	21,380,108	1,822,223	1,657,435	1,239,493	8,404,847	180,152,041
2004	***	2,369,597	21,379,037	1,819,362	1,656,483	1,235,878	8,400,785	179,967,042
2005	***	2,440,685	21,378,208	1,818,108	1,657,717	1,240,435	8,403,585	180,303,013
2006	***	2,513,905	21,379,037	1,818,369	1,656,160	1,237,285	8,402,675	178,718,903
2007	2,375,000	2,589,322	21,378,960	1,819,647	1,656,393	1,236,585	8,405,490	177,777,768
2008	2,370,000	2,667,002	21,382,898	1,821,744	1,652,970	1,238,690	8,401,053	177,863,011
2009	2,370,000	3,100,373	21,378,422	1,819,556	1,655,512	1,238,297	8,403,775	172,075,757
2010	***	***	21,379,523	1,818,056	1,653,911	1,239,970	8,404,875	156,985,994
2011	***	***	21,377,797	1,821,547	1,653,215	1,238,770	8,403,502	139,269,265
2012	***	***	21,380,633	1,819,703	1,656,350	1,239,210	8,403,293	106,187,964
2013	***	***	21,377,751	1,818,219	1,658,050	1,239,980	8,405,412	106,223,235
2014	***	***	21,380,420	1,821,672	1,654,950	1,237,560	8,404,863	95,327,033
2015	***	***	21,378,895	1,819,781	1,656,750	1,236,950	8,403,612	95,266,448
2016	***	***	21,379,957	***	1,653,150	1,237,860	8,400,863	90,531,581
2017	***	***	21,380,176	***	***	***	8,403,422	87,620,110
2018	***	***	21,380,939	***	***	***	8,402,885	85,172,842
2019	***	***	21,380,658	***	***	***	8,401,485	82,488,553
2020	***	***	21,381,537	***	***	***	***	71,881,553
2021	***	***	***	***	***	***	***	42,548,881
2022	***	***	***	***	***	***	***	37,537,588
2023	***	***	***	***	***	***	***	20,984,764
2024	***	***	***	***	***	***	***	15,066,187
2025	***	***	***	***	***	***	***	15,081,438
2026	***	***	***	***	***	***	***	12,310,138
	\$ 7,115,000	\$20,215,035	\$406,785,850	\$25,479,674	\$24,834,618	\$18,573,055	\$151,262,020	\$2,689,036,894

## Cap on Highway Fund Appropriations To Non-Highway Agencies

Legislation authorizing a 4 cent motor fuel tax increase effective July 1, 1987, established a cap on expenditures from the Highway Fund by other non-highway agencies (§226.200 (3) RSMo). At this time the cap was set at the FY 87 expenditure level and was approximately \$119.6 million. The cap required that when expenditures from the Highway Fund exceeded the cap, the fund must be reimbursed from General Revenue the next fiscal year.

The motor fuel tax increased to six cents in 1992 with the passage of HB 1247, 86<sup>th</sup> General Assembly, in which the fixed ceiling of \$119.6 million was changed to a flexible ceiling (§142.372 RSMo). Therefore, the growth in funds allocated to non-highway agencies could increase by the same percentage as the overall increase in state highway revenue sources.

During the 2000 legislative session, the passage of House Bill 1742 (90<sup>th</sup> General Assembly, 2<sup>nd</sup> Regular Session), re-established a fixed cap (§ 226.200 RSMo). This action will require the reimbursement of General Revenue funds to the Highway Fund when expenditures exceed the FY 01 level of expenditures.

The chart below illustrates funds and the percentage growth for each fiscal year.

<u>Fiscal Year</u>	<u>Funds Available to Non-Highway Cap Agencies in Millions</u>	<u>Percentage Increase in the Highway Cap</u>
1992	\$119	n/a
1993	133	11.76%
1994	140	5.26%
1995	154	10.00%
1996	162	5.19%
1997	176	8.64%
1998	176	(0.19%)
1999	177	0.53%
2000	192	8.48%
2001	185	(3.46%)
2002*	190	2.70%

\* - estimated

The information listed on the following page details the calculation of the cap for the various non-highway state agencies. The amounts listed for each state department reflect the total dollar amount of highway funds that were appropriated, and their totals in relation to the cap.



## COMPARATIVE CALCULATION OF THE HIGHWAY FUND CAP

	FY 1987 Appropriation to <u>Capped Agencies</u>	FY 2002 Appropriation to <u>Capped Agencies</u>
State Auditor	\$ 425,043	\$ 656,242
State Treasurer	287,446	458,699
Office of Administration	2,325,336	4,130,780
Economic Development	2,635,915	3,029,450
Public Safety	58,249,717	115,685,220
Revenue	26,886,090	48,570,278
Agriculture	532,274	0
Natural Resources	0	80,997
Health	100,765	0
Supplementals	1,412,432	0
Capital Improvements	1,695,600	0
Reappropriations	0	0
Fringes (OA est.)	24,555,704	15,672,869
Leasing (HB 13)	<u>0</u>	<u>1,787,461</u>
 TOTALS	 \$119,106,322	 \$ 190,071,996
 Funds available to Capped Agencies	 Not applicable**	 \$ 185,005,946
 Over (under) Cap	 Not applicable**	 \$5,066,050

The Department of Public Safety and Department of Revenue utilize a significant portion of Highway Fund revenue allocated for non-highway related purposes. The Department of Public Safety is compensated for patrolling the state's highways. Likewise, the Department of Revenue is compensated for implementing state motor vehicle and driver statutes. Other agencies receive Highway Fund revenue for work that relates to the state's highway system.

\*\*Senate Bills 135 & 63, included a provision to place a cap on Highway Fund expenditures for non-highway agencies at the fiscal year 1987 level, effective June 1, 1987. This cap was fixed until 1992, when it was changed to a flexible ceiling. *The passage of House Bill 1742 (90<sup>th</sup> General Assembly, 2<sup>nd</sup> Regular Session, 2000), re-established a fixed cap for expenditures for non-highway related agencies at the fiscal year 2001 appropriation level.*



## COURT ORDERED DESEGREGATION AGREEMENT FISCAL YEAR 2002

Certain state payments formerly made to the Kansas City and St. Louis school districts under court order have been reallocated pursuant to the provisions of SB 781 (1998), Section 162.1060 RSMo, and the terms of the 1999 settlement agreement in the St. Louis Desegregation case (Liddell v. the Board of Education of St. Louis City). In prior years, the state was required to expend moneys in order to improve the quality of education in St. Louis and Kansas City, in order to comply with the orders of U.S. District Courts for Eastern and Western Missouri. Prior to 1993, desegregation payments were made pursuant to federal court order and were not appropriated. Subsequently, these payments have been appropriated in House Bill 2, to the Department of Elementary and Secondary Education.

The 1999 settlement agreement provides for \$180 million in capital to be paid to the St. Louis Public Schools beginning in FY 2000. Payments are to be made as follows:

July 1, 1999	\$28.5 million	July 1, 2005	\$13.0 million
July 1, 2000	\$25.0 million	July 1, 2006	\$12.0 million
July 1, 2001	\$20.0 million	July 1, 2007	\$11.0 million
July 1, 2002	\$20.0 million	July 1, 2008	\$10.0 million
July 1, 2003	\$16.5 million	July 1, 2009	\$9.0 million
July 1, 2004	\$15.0 million		

A total of \$50 million was paid to the Voluntary Inter-District Choice Corporation in two payments. The first payment was made in fiscal year 2000 and the second payment in fiscal year 2001.

Listed below, are the expenditures of the St. Louis Desegregation Plan and the Kansas City Desegregation Plan that were mandated by court order. The following information is as of June 30, 2001.

### St. Louis Desegregation Plan

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Lapse</u>
2001	\$ 50,000,000	\$ 50,000,000	\$ 0
2000	53,500,000	53,476,585	23,415
1999	191,862,972	188,799,736	3,063,236
1998	158,800,000	147,021,949	11,778,051
1997	151,700,000	138,086,852	13,613,148
1996	153,700,000	148,291,471	5,408,529
1995	155,700,000	139,258,397	16,441,603
1994	147,600,000	134,202,695	13,397,305
1993	147,100,000	136,028,438	11,071,562
1992	144,600,000	137,189,737	7,410,263
1991	135,200,000	132,695,771	2,504,229
1981-1990	674,980,490	616,269,820	58,710,670

### Kansas City Desegregation Plan

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Expenditure</u>	<u>Lapse</u>
1999	\$ 99,000,000	\$ 97,532,435	\$ 1,467,565
1998	132,737,856	132,737,852	4
1997	110,300,000	89,042,565	21,257,435
1996	168,200,000	125,591,973	42,608,027
1995	203,200,000	175,045,453	28,154,547
1994	196,850,000	143,290,085	53,559,915
1993	209,600,000	139,789,109	69,810,891
1992	191,400,000	159,334,336	32,065,664
1991	157,900,000	141,063,712	16,836,288
1986-1990	376,760,000	331,555,932	45,204,068

SOURCE: State of Missouri, Appropriation Activity Report

The fiscal year 1998 Kansas City Desegregation figures reflect moneys that were placed in escrow during fiscal year 1997 but not applied until fiscal year 1998.

## STATE EMPLOYEE PAY PLAN HISTORY

### FY 91 – FY 2002

The pay plan is created by the Personnel Advisory Board (PAB) and reviewed by the Ad Hock Task Force on Total Compensation. The task force recommendations are integrated into a final plan the PAB submits to the Governor's office and to Budget and Planning. The Governor makes a final recommendation to be reviewed by the legislature.

<b>Fiscal Year</b>	<b>Date Implemented</b>	<b>Description</b>	<b>Positions Under Salary Commission</b>
FY 2002	July 1, 2001	No pay plan was offered <b>Exceptions</b> <ul style="list-style-type: none"> <li>• 2% Increase for those classified as direct care staff working in State Habilitation Centers (Department of Mental Health) and for those classified as Psychiatric Aides I and II in State Mental Hospitals</li> <li>• Repositioning of those from ranges 3 and 4 to range 5 (Referred to as Basic Living Wage Reposition) Typical job titles include: Laundry, Janitorial, Custodial, and Food Service Worker</li> </ul>	NONE
FY 2001	July 1, 2000	\$600/year beginning July 1, 2000 1 step within grade (2%) July 1, 2000 \$420/year beginning January 1, 2001  <b>Exceptions</b> <ul style="list-style-type: none"> <li>• Department of Social Services frontline positions (Social Service Worker I &amp; II, Caseworker, Self-Sufficiency Casemanager, Social Service Supervisor and Income Maintenance Supervisor) requiring a college degree or equivalent experience will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS.</li> <li>• Veteran's home' nursing aides will receive the general pay plan with adjustments to equalize the starting salary for Nursing Aide I's to be \$16,716 and to equalize the starting salary of Nursing Aide II's to be \$19,104.</li> <li>• Water Patrol Officers will receive a one range repositioning (approximately 4% increase) in lieu of the 1 step within grade and will receive the \$600 and \$420 COLAS.</li> <li>• Highway Patrol Officers will receive the state pay plan plus varying adjustments to create their own pay grid.</li> </ul>	Judges - \$3,000 per year July 1, 2000 Elected Officials, General Assembly – \$300/year July 1, 2000 1 step within grade (1%) July 1, 2000 \$210/year January 1, 2001



<b>Fiscal Year</b>	<b>Date Implemented</b>	<b>Description</b>	<b>Positions Under Salary Commission</b>
FY 2000	July 1, 1999	1% COLA Up to 2 step within grade (about 4%)	Judges – Salary based on Salary Commission Recommendation General Assembly – 5% Elected Officials – 5% - except Lt. Gov. which was based on Commission recommendation ALL INCREASES WERE INITIALLY VETOED, but fully funded Commission recommendation in supplemental appropriation
FY 99	July 1, 1998	1% COLA Up to 2 step within grade (about 4%)  \$10 per month flexible benefit	5%  SAME
*FY 98	July 1, 1997	1% COLA Up to 2 step within grade (about 4%)	Judges, Elected Officials, General Assembly - 2.9%
	Jan. 1, 1998	\$10 per month flexible benefit	SAME
FY 97	July 1, 1996	2% COLA Up to 2 step within grade (about 4%)	N/A
FY 96	July 1, 1995	2% COLA 1 step within grade (about 2%)	N/A
	Jan. 1, 1996	\$25 State match for employees in Deferred Compensation Plan.	
FY 95	July 1, 1994	3% plus \$200 COLA	N/A
FY 94	July 1, 1993	1% plus \$400 COLA \$360 additional health insurance contribution	N/A
FY 93		No pay plan was offered or approved.	N/A
FY 92		No pay plan was offered or approved.	N/A
FY 91	July 1, 1990	2% within grade adjustment	N/A

\*FY 98 was the first year that the Salary Commission made a recommendation. Previously, Elected Officials, Judges, and the General Assembly received pay increases equal to that of state employees.



## **GAMING COMMISSION REVENUE**

Senate Bill 10 & 11 (86<sup>th</sup> General Assembly, 1<sup>st</sup> Regular Session, 1994) created the Missouri Gaming Commission, which became responsible for the licensing and regulation of excursion gambling boats throughout the state. After June 30, 1994, this act also provided for the transfer of responsibilities of licensing and regulation of bingo activities to the Gaming Commission as well.

Revenues generated from the gaming industry provide for the operation of the Missouri Gaming Commission (§ 313.835 RSMo), as well as providing a portion of the funding for education throughout the state (§ 313.835 RSMo; Article IV, Section 15, Missouri Constitution). The following information outlines how gaming revenues are divided between the State Education Fund and the Gaming Commission.

### **Gaming Revenue in Missouri**

The following summarizes how the funding mechanism allocates dollars to both the operation of the Gaming Commission and to the State Education Fund.

- There is a \$2 boarding fee, paid either by the gambler or the casino, \$1 of which supports the operation of the Gaming Commission, with the other \$1 going to the local government.
- 80% of the gamblers' losses goes to the boat, while 2% goes to the local government. The remaining 18% (Gaming Tax) is allocated to the State Education Fund.

### **Contribution of Gaming & Bingo Proceeds to Education**

The listing below reflects the appropriation of gaming and bingo proceeds to the operating budget of the Department of Elementary and Secondary Education.

	<u>Bingo Proceeds</u>	<u>Gaming Proceeds</u>	<u>Total</u>
Fiscal Year 2002	\$1,707,167	\$193,751,000	\$195,458,167
Fiscal Year 2001	\$1,707,167	\$187,200,000	\$188,907,167
Fiscal Year 2000	\$1,707,167	\$157,300,000	\$159,007,167

### **Contribution of Gaming & Bingo Proceeds to the Missouri Gaming Commission**

Personal Service and Expense & Equipment for the Missouri Gaming Commission, including Bingo operations:

FY 02 (Appropriation)	\$16,166,575
FY 01 (Appropriation)	\$15,401,168
FY 00 (Actual Expenditure)	\$11,193,403

## LOTTERY COMMISSION REVENUE

On November 6, 1984, Constitutional Amendment No. 5 was passed by the voters of this State, authorizing a state lottery and Lottery Commission, Article III; 39(b). Senate Bill 44, (83<sup>rd</sup> General Assembly, 1<sup>st</sup> Regular Session, 1985) provided enabling legislation to implement the state lottery. The Commission is charged with supervising the lottery, and issuing rules and regulations pertaining to its operation, State Statutes 313.200-313.350 RSMo.

Revenues generated from the sale of lottery tickets provide for the operation of the Commission, prize money, retailer commissions and incentives, and partial funding to the State Education Fund. The following information outlines how lottery revenues are allocated.

### Lottery Revenue in Missouri

The following information provides a brief summary of how the lottery funding is allocated.

- 55 cents of every dollar is returned to the players as prize money.
- 30 cents provides money to the state's education fund.
- 8.5 cents is used to fund the operation of the Lottery.
- 6.5 cents provides for retailer commissions and incentives.

	<b>FY 1999</b>	<b>FY 2000</b>	<b>FY 2001</b>
Lottery Revenue Amounts	\$513,251,456	\$518,916,366	\$507,544,717

### Contributions of Lottery Proceeds to Education

The listing below provides the amount appropriated to the Department of Elementary and Secondary Education and the Department of Higher Education for operating expenditures from Lottery Proceeds:

	<u>Elementary &amp; Secondary Education</u>	<u>Higher Education</u>	<u>Total</u>
Fiscal Year 2000	\$ 64,441,220	\$ 79,510,463	\$ 143,951,683
Fiscal Year 2001	\$ 75,829,718	\$ 79,510,463	\$ 155,340,181
Fiscal Year 2002	\$ 87,765,127	\$ 79,510,463	\$ 167,370,679



## EDUCATION FOUNDATION FORMULA DISTRIBUTION

The foundation distribution, Section 163.31 RSMo, provides state aid to public elementary and secondary schools in accordance with the Outstanding Schools Act (S.B. 380, 87<sup>th</sup> General Assembly, 1<sup>st</sup> Regular Session, 1993). The funding, which is calculated through a formula, provides tax-rate equalized per pupil educational revenues to all school districts. The foundation portion of the budget contains formula funding, as well as funding for transportation, special education, gifted programs and early childhood education. In fiscal year 1995, the early childhood special education programs, Career Ladder, Vocational Education, Early Childhood Development and State Schools Programs were transferred into the Foundation portion of the budget. The transfer of these areas to the Foundation was designed to provide more flexibility to increase funding to the various programs, while also creating a more comprehensive educational package.

The following listing presents the  
Foundation Program Funding Appropriation for Fiscal Year 2002

<b>Programs</b>	<b>Appropriation</b>
Minimum Guarantee	\$1,694,833,776
Transportation	162,067,713
Special Education	149,617,982
Gifted Programs	24,870,104
Reading	11,096,925
3 & 4 Year Olds	3,000,000
 <b>Transferred Programs</b>	
Early Childhood Special Education	60,161,098
Career Ladder	38,337,774
Vocational Education	54,624,528
Early Childhood Special Education	30,304,651
Special Needs	346,157,945
State School Programs	49,416,918
 <b>TOTAL</b>	 <b>\$2,624,489,414</b>



## WHERE DOES MISSOURI RANK?

Per Capita Personal Income <i>National Per Capita = \$28,542</i> 1999		
Rank	State	Per Capita
1	Connecticut	\$39,300
2	New Jersey	35,551
3	Massachusetts	35,551
4	New York	33,890
5	Maryland	32,465
6	Colorado	31,546
7	Illinois	31,145
8	New Hampshire	31,114
9	Nevada	31,022
10	Minnesota	30,793
11	Delaware	30,778
12	Washington	30,392
13	California	29,910
14	Virginia	29,789
15	Rhode Island	29,377
16	Pennsylvania	28,605
17	Alaska	28,577
18	Michigan	28,113
19	Florida	27,780
20	Hawaii	27,544
21	Wisconsin	27,390
22	Georgia	27,340
23	Ohio	27,152
24	Nebraska	27,049
25	Oregon	27,023
26	Texas	26,858
27	Kansas	26,824
28	Wyoming	26,396
29	<b>MISSOURI</b>	<b>26,376</b>
30	Indiana	26,143
31	North Carolina	26,003
32	Vermont	25,889
33	Iowa	25,615
34	Tennessee	25,574
35	Arizona	25,189
36	South Dakota	25,045
37	Maine	24,603
38	South Carolina	23,545
39	North Dakota	23,313
40	Utah	23,288
41	Kentucky	23,237
42	Alabama	22,987
43	Oklahoma	22,953
44	Louisiana	22,847
45	Idaho	22,835
46	Arkansas	22,244
47	Montana	22,019
48	New Mexico	21,853
49	West Virginia	20,966
50	Mississippi	20,688

Per Capita State Tax Revenue <i>National Per Capita = \$1,835</i> 1999		
Rank	State	Per Capita
1	Connecticut	\$2,932
2	Delaware	2,695
3	Hawaii	2,671
4	Minnesota	2,614
5	Massachusetts	2,386
6	Michigan	2,366
7	Wisconsin	2,215
8	California	2,184
9	Washington	2,143
10	New York	2,127
11	New Jersey	2,079
12	Maine	2,028
13	New Mexico	2,003
14	Rhode Island	1,913
15	Nevada	1,896
16	North Carolina	1,887
17	Kentucky	1,857
18	Maryland	1,833
19	Arkansas	1,806
20	Pennsylvania	1,800
21	Illinois	1,749
22	North Dakota	1,746
23	West Virginia	1,742
24	Idaho	1,735
25	Kansas	1,729
26	Utah	1,711
27	Vermont	1,704
28	Iowa	1,697
29	Wyoming	1,694
30	Virginia	1,682
31	Mississippi	1,652
32	Indiana	1,638
33	Ohio	1,615
34	Oklahoma	1,613
35	Oregon	1,611
36	Georgia	1,600
37	Nebraska	1,598
38	Arizona	1,579
39	Florida	1,574
40	<b>MISSOURI</b>	<b>1,566</b>
41	Montana	1,547
42	South Carolina	1,499
43	Colorado	1,476
44	Alaska	1,461
45	Alabama	1,380
46	Louisiana	1,379
47	Tennessee	1,311
48	Texas	1,281
49	South Dakota	1,184
50	New Hampshire	891

State Government Tax Revenue as a Percent of Personal Income <i>National Per Capita = 6.8% - 1999</i>		
Rank	State	Percent
1	Hawaii	10.0
2	New Mexico	9.5
3	Delaware	9.2
4	Minnesota	9.0
5	Michigan	8.9
6	Maine	8.7
7	West Virginia	8.6
8	Arkansas	8.5
9	Wisconsin	8.5
10	Kentucky	8.4
11	Mississippi	8.3
12	Idaho	8.0
13	Connecticut	7.9
14	California	7.8
15	Utah	7.8
16	North Dakota	7.6
17	Washington	7.6
18	North Carolina	7.5
19	Oklahoma	7.3
20	Montana	7.3
21	Massachusetts	7.2
22	Vermont	6.9
23	Rhode Island	6.8
24	Iowa	6.8
25	Wyoming	6.8
26	Kansas	6.8
27	South Carolina	6.7
28	Arizona	6.7
29	New York	6.6
30	Nevada	6.6
31	Pennsylvania	6.6
32	Indiana	6.5
33	Oregon	6.3
34	Alabama	6.3
35	Georgia	6.2
36	<b>MISSOURI</b>	<b>6.2</b>
37	Nebraska	6.2
38	Louisiana	6.2
39	Ohio	6.2
40	New Jersey	6.1
41	Virginia	6.0
42	Maryland	6.0
43	Florida	5.9
44	Illinois	5.9
45	Tennessee	5.4
46	Alaska	5.3
47	Colorado	5.1
48	Texas	5.0
49	South Dakota	5.0
50	New Hampshire	3.0

## Nationwide Comparison and Ranking of Gasoline Taxes

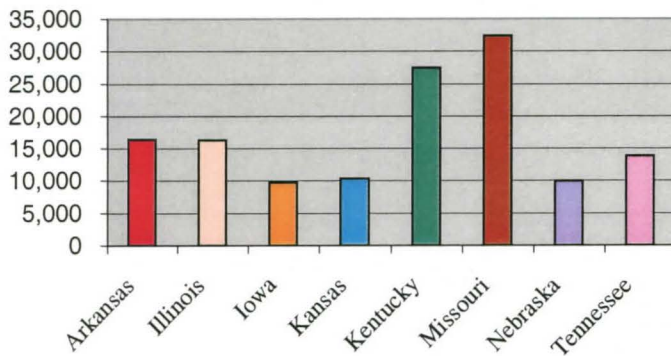
State	State Excise Tax (a)	Other State Taxes (b)	Total State Taxes	Total State & Federal Taxes ©	Gas Tax Ranking	Total State Population (e)	State Population Ranking	Miles of State Road System (f)	Road System Ranking
Alabama	16.0	4.8	20.8	39.2	31	4,447,100	23	10,869	23
Alaska	8.0		8.0	26.4	51	626,932	48	5,565	39
Arizona	18.0	1.0	19.0	37.4	41	5,130,632	20	6,620	37
Arkansas	20.5	0.2	20.7	39.1	32	2,673,400	33	16,366	12
California	18.0	13.9	31.9	50.3	3	33,871,648	1	15,206	14
Colorado	22.0		22.0	40.4	23	4,301,261	24	9,071	29
Connecticut	25.0	5.2	30.2	48.6	5	3,405,565	29	3,735	45
Delaware	23.0		23.0	41.4	21	783,600	45	5,065	42
Dist. of Columbia	20.0		20.0	38.4	34	572,059	n/a	1,372	49
Florida	13.6	15.8	29.4	47.8	6	15,982,378	4	11,951	18
Georgia	7.5	4.5	12.0	30.4	50	8,186,453	10	17,837	10
Hawaii	16.0	20.1	36.1	54.5	1	1,211,537	42	982	51
Idaho	25.0		25.0	43.4	14	1,293,953	39	4,959	43
Illinois	19.0	8.8	27.8	46.2	9	12,419,293	5	16,353	13
Indiana	15.0	4.3	19.3	37.7	40	6,080,485	14	11,220	22
Iowa	20.0	1.0	21.0	39.4	28	2,926,324	30	9,715	28
Kansas	20.0	1.0	21.0	39.4	29	2,688,418	32	10,386	25
Kentucky	15.0	1.4	16.4	34.8	47	4,014,769	25	27,477	8
Louisiana	20.0		20.0	38.4	35	4,468,976	22	16,699	11
Maine	22.0		22.0	40.4	24	1,274,923	40	8,390	30
Maryland	23.5		23.5	41.9	20	5,296,486	19	5,119	41
Massachusetts	21.0	0.5	21.5	39.9	26	6,349,097	13	2,859	46
Michigan	19.0	7.6	26.6	45	11	9,938,444	8	9,725	27
Minnesota	20.0		20.0	38.4	36	4,919,479	21	11,940	19
Mississippi	18.0	2.4	20.4	38.8	33	2,844,658	31	10,645	24
Missouri	17.0		17.0	35.4	44	5,595,211	17	32,407	7
Montana	27.0	0.8	27.8	46.2	10	902,195	44	6,700	32
Nebraska	23.9	0.9	24.8	43.2	15	1,711,263	38	9,971	26
Nevada	23.0	10.1	33.1	51.5	2	1,998,257	35	5,456	40
New Hampshire	18.0	1.7	19.7	38.1	39	1,235,786	41	4,004	44
New Jersey	10.5	4.0	14.5	32.9	48	8,414,350	9	2,321	48
New Mexico	17.0	1.0	18.0	36.4	43	1,819,046	36	11,433	21
New York	8.0	23.0	31.0	49.4	4	18,976,457	3	15,025	15
North Carolina	24.3		24.3	43	16	8,049,313	11	78,103	2
North Dakota	21.0		21.0	39.4	30	642,200	47	7,378	34
Ohio	22.0		22.0	40.4	25	11,353,140	7	19,294	9
Oklahoma	16.0	1.0	17.0	35.4	45	3,450,654	27	12,276	17
Oregon	24.0		24.0	42.4	18	3,421,399	28	7,612	33
Pennsylvania	12.0	14.1	26.1	44.5	12	12,281,054	6	40,101	5
Rhode Island	25.0	4.0	29.0	47.4	8	1,048,319	43	1,229	50
South Carolina	16.0	0.8	16.8	35.4	46	4,012,012	26	41,518	4
South Dakota	22.0	2.0	24.0	42.4	19	754,844	46	7,794	31
Tennessee	20.0	1.4	21.4	39.8	27	5,689,283	16	13,811	16
Texas	20.0		20.0	38.4	37	20,851,820	2	79,164	1
Utah	24.5		24.5	42.9	17	2,233,169	34	5,838	38
Vermont	19.0	1.0	20.0	38.4	38	608,827	49	2,631	47
Virginia	17.5	1.4	18.9	37.3	42	7,078,515	12	57,735	3
Washington	23.0		23.0	41.4	22	5,894,121	15	7,046	35
West Virginia	20.5	4.9	25.4	43.8	13	1,808,344	37	33,179	6
Wisconsin	26.4	3.0	29.4	47.8	7	5,363,675	18	11,753	20
Wyoming	13.0	1.0	14.0	32.4	49	493,782	50	6,751	36
US Average (d)	17.9	5.7	23.6	42					



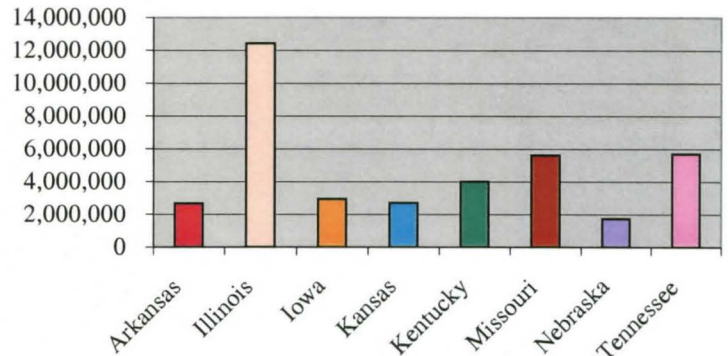
## Nationwide Comparison and Ranking of Gasoline Taxes

- a) State excise taxes represent rates effective as of February 2001.
- b) Largely excludes local taxes which are estimated to average approximately 2 cents per gallon nationwide. However, some local county taxes in Alabama, California, Florida, Hawaii, Nevada, New York, and Virginia are included. Includes state sales taxes, gross receipts taxes, and underground storage tank taxes. State sales taxes, expressed in cents per gallon, are based on selected city average retail gasoline prices as of February 29, 2001.
- c) Includes 18.4 cents per gallon federal excise tax and volume-weighted average U.S. total state taxes.
- d) Represents the average of state tax rates multiplied by state gasoline consumption records.
- Sources: API Issue Management and services, "State Motor Fuel Tax Rates, February 29, 2001"; the Federal Highway Administration, "Monthly Motor Fuel Reported by States"; and the U.S. Energy Information Administration, "Motor Gasoline Watch".
- e) Population estimate acquired from the U.S. Census Bureau, United States Department of Commerce. The population estimate represents state population as of April 1, 2001.
- f) Miles of State Road System include rural and urban roadways, as reported in the 1999 Highway Statistics Report published by the U.S.

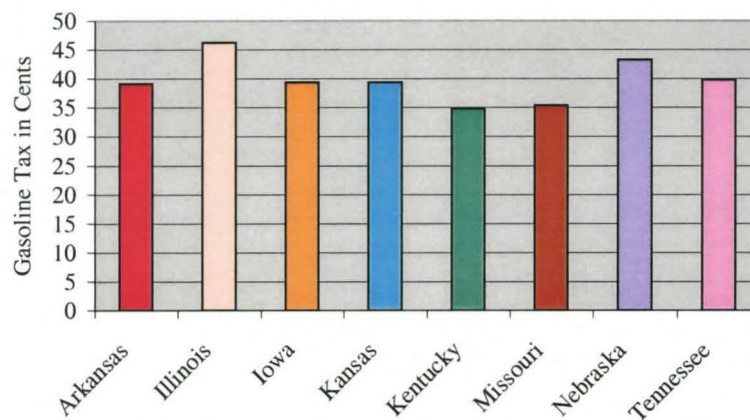
### Miles of State Road System



### State Population Comparison

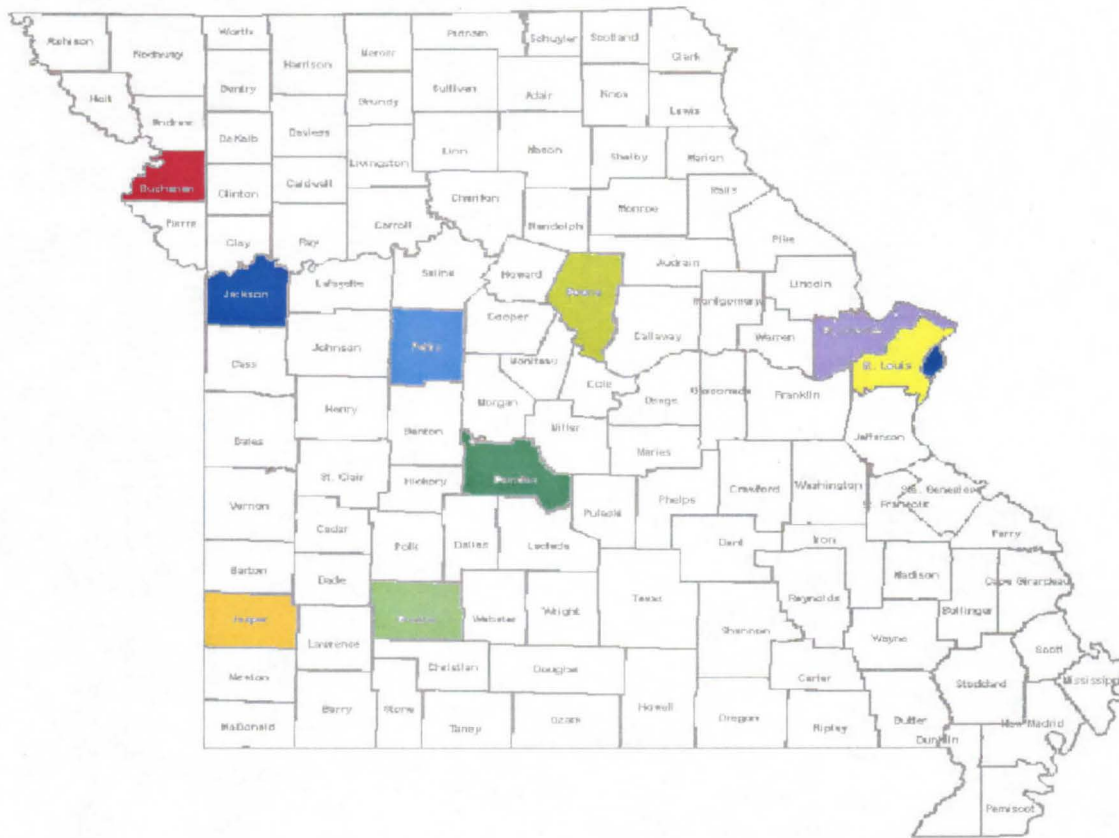


### Gasoline Tax Comparison





## State Funded Child Assessment Centers



A child assessment center is a setting where children, reported to have been sexually abused or physically abused, are interviewed and treated from the report of the abuse through disposition of the case.

### State Funded Child Assessment Center Locations

Children's Center of Steve W. Missouri  
921 East 34<sup>th</sup> Street, Suite A  
Joplin, MO 64804

St. Charles Regional CAC  
1205 Duello Road  
Wentzville, MO 63385

Children's Advocacy Center of  
East Central Missouri  
702 North Main Street  
DeSoto, MO 63020

CASGSL (St. Louis City & County)  
University of MO St. Louis  
8001 Natural Bridge  
St. Louis, MO 63121

Northwest MO Child Advocacy Center  
801 North Noyes Boulevard  
St. Joseph, MO 64503

Child Safe of Central MO. Inc.  
102 East 10<sup>th</sup> Street  
Sedalia, MO 65301

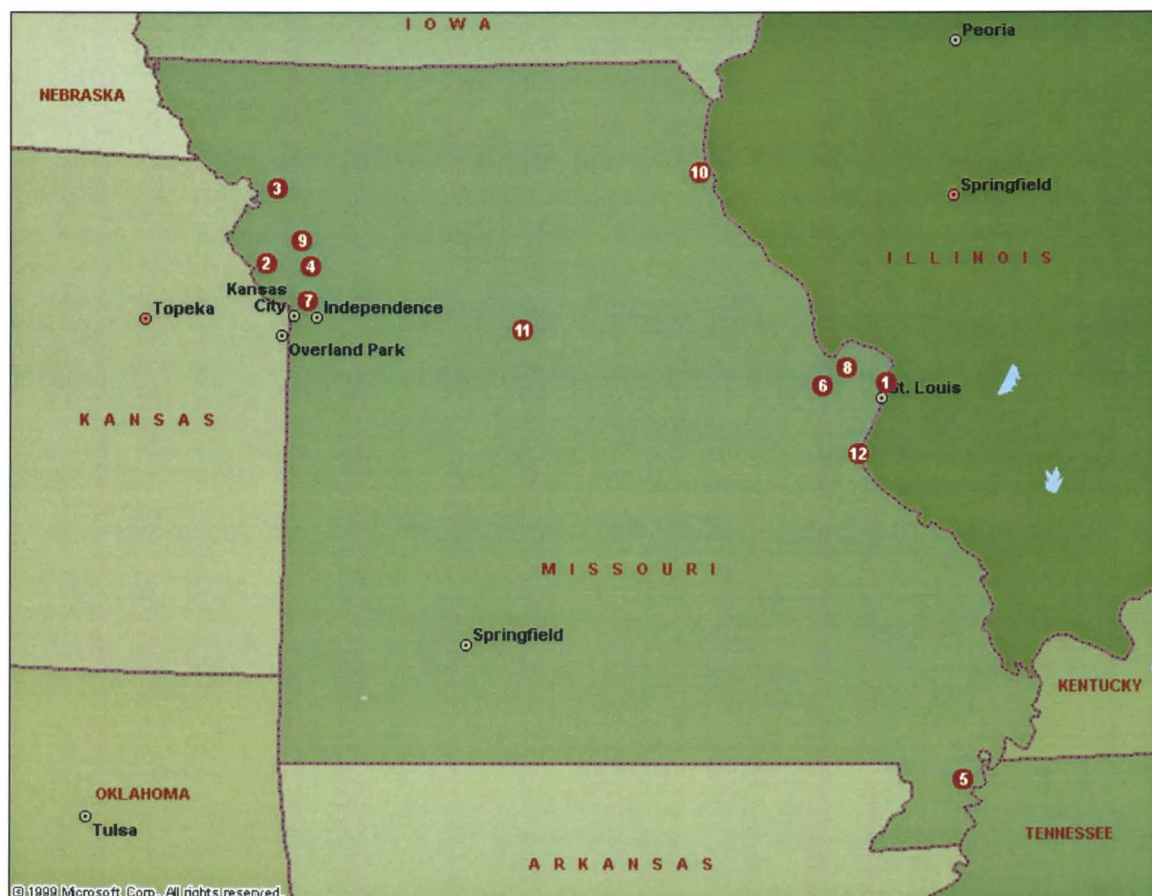
Child Advocacy Center, Inc.  
1033 East Walnut  
Springfield, MO 65806

Rainbow House Regional Child  
Advocacy Center  
2305 Oakland Gravel Road  
Columbia, MO 65202

Synergy Services, Inc.  
400 East 6<sup>th</sup> Street  
Parkville, MO 64152

## Missouri Casino Locations

There are currently ten casino boats operating within Missouri. The map below indicates the various locations of fully operational casino locations, including the locations of casino operations waiting commission approval.



<u>Casino Property</u>	<u>Licensed</u>
1) President Riverboat Casino-Missouri, Inc.	May 1994
2) The Missouri Gaming Co. d/b/a Argosy Riverside Casino	June 1994
3) St. Joseph Riverboat Partners d/b/a St. Jo Frontier Casino	June 1994
4) Harrah's North Kansas City Corp.	September 1994
5) Aztar Missouri Gaming Corp. d/b/a Casino Aztar	April 1995
6) Harrah's Maryland Heights Corp.	March 1997
7) Isle of Capri-Kansas City, Inc.	June 2000
8) Ameristar Casino St. Charles, Inc.	December 2000
9) Ameristar Casino Kansas City, Inc.	December 2000
10) Mark Twain Casino, LLC	July 2001
11) Isle of Capri-Boonville, Inc.	November 2001*
12) Isle of Capri-Jefferson County	Unknown

\*Tentative date contingent upon suitability hearing and commission approval.

## Missouri Port Authorities and Toll Ferries

There are twelve public port authority locations throughout the state of Missouri, including one ferry boat operation. The map below indicates the various locations of port and ferry boat operations in Missouri.



### Port Locations and Addresses

Howard/Cooper County Regional Port Authority - 609 Main St., Boonville MO 65223  
 Jefferson County Port Authority - P.O. Box 603, Hillsboro, MO 63050  
 Kansas City Port Authority - 10 Petticoat Lane, Suite 250, Kansas City, MO 64106-2103  
 Lewis County/Canton Port Authority - P.O. Box 126, Canton MO 63435  
 Marion County Port Authority - 625-A Broadway, Hannibal, MO 63401  
 Mississippi County Port Authority - P.O. Box 397, Malden MO 63863  
 New Bourbon Regional Port Authority - P.O. Box 366, Perryville, MO 63775  
 New Madrid County Port Authority - 600-A North Main St., New Madrid MO 63869  
 Pemiscot County Port Authority - 619 Ward Av., Caruthersville, MO 63830  
 St. Joseph Regional Port Authority - 1302 Faraon, St. Joseph, MO 64501  
 City of St. Louis Port Authority - 1015 Locust, Suite 1200, St. Louis MO 63101  
 St. Louis County Port Authority - 121 South Meramec #412, St. Louis MO 63105

### Ferry Boat Service Locations and Routes

Ste. Genevieve - Little Rock Landing Site at Ste. Genevieve, Mo. To Modoc, Ill.



## **Lewis and Clark Bicentennial Celebration**

The Lewis and Clark Bicentennial Celebration will bring national exposure and significant tourism revenue to Missouri in upcoming years. Local communities will hold events commemorating Lewis and Clark's famous trip to explore the West from St. Louis all the way to the Pacific Ocean.

### **Appropriation History**

FY 2000 - \$100,000 General Revenue (Office of Administration)

FY 2001 - \$500,000 General Revenue (Economic Development – Tourism)

FY 2002 - \$1,650,000 General Revenue and Intergovernmental Transfer Fund (Nat. Resources)

### **Corps of Discovery Grants**

The Corps of Discovery Grant is a reimbursement grant program to local governments and not-for-profit associations supporting up to fifty percent of a project's total cost. The additional fifty percent of the project shall be matched with local money or an in-kind equivalent. State and federal dollars cannot be used for the match. The FY 2002 budget contains \$1.35 million for these grants.

### **National Signature Events**

The National Lewis and Clark Bicentennial Council announced two National Signature Events to be held in Missouri.

***Three Flags Ceremony Expedition Departure Events***--In spring 2004, the world will turn its attention to the bi-state St. Louis area in commemoration of the Corps of Discovery's embarkation on America's epic journey of exploration. In March 2004 the National Louisiana Purchase Bicentennial Committee will host the first of two national signature events in the St. Louis metropolitan region. The Three Flags Ceremony will observe the 200th anniversary of the transfer of Louisiana Territory from Spain and France to the United States. Invited guests will include the King of Spain, President of France, President of the United States, governors of all states created out of the Louisiana Purchase, and the heads of tribal governments whose homelands were impacted. To commemorate the Corps of Discovery's departure from its winter encampment at Camp River Dubois on May 14, 1804, to explore the newly acquired Louisiana Territory, the communities of Hartford and Wood River, Illinois, will host the third national signature event in May 2004 with send-off ceremonies. The bi-state departure commemoration continues to St Charles, Missouri, for re-enactments, musical entertainment, heritage craft and skill demonstrations, and rendezvous.

***July 3-4, 2004: A Journey Fourth--Kansas City Bi-state Area, Atchison and Fort Leavenworth, Kansas***-- The Missouri River communities of Atchison, Fort Leavenworth, and Kansas City will salute the first Independence Day celebrated in the American West. On July 4, 1804, the expedition celebrated the 28th birthday of the Declaration of Independence by firing its swivel cannon and enjoying an extra ration of whiskey. Activities include a spectacular Fourth of July fireworks display over the Missouri River. *Source: Lewis & Clark Bicentennial Commission Newsletter*

### **Contact the Commission:**

Office (573) 522 - 9019

Fax (573) 522 - 9017

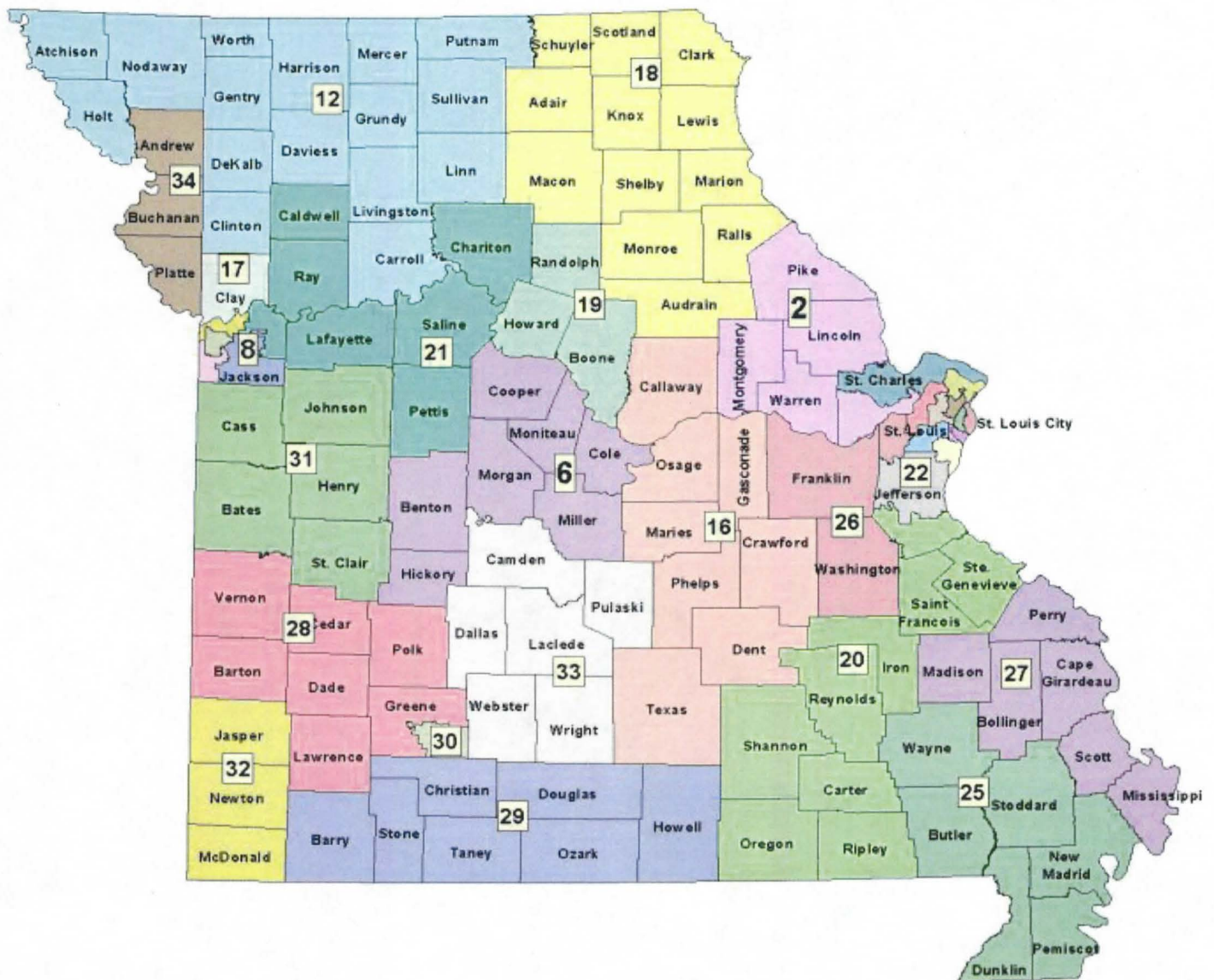
E-mail: [nrcrabj@mail.dnr.state.mo.us](mailto:nrcrabj@mail.dnr.state.mo.us)

On the Web at: <http://lewisandclark.missouri.org/>

# **Section III**

## **General Information**

# Missouri Senatorial Districts



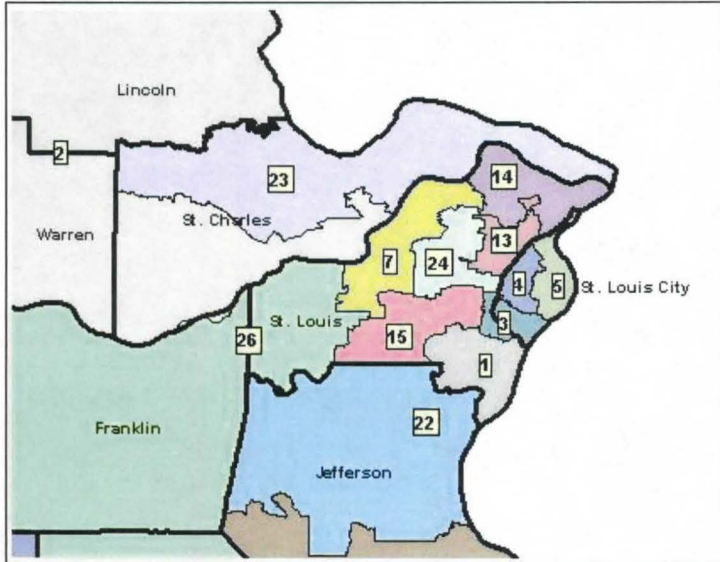
## Senatorial Districts

6 – Larry Rohrbach	20 – Danny Staples	27 – Peter Kinder	31 – Harold Caskey
12 – David Klindt	21 – James Mathewson	28 – Morris Westfall	32 – Marvin Singleton
16 – Sarah Steelman	25 – Bill Foster	29 – Doyle Childers	33 – John T. Russell
18 – John Cauthorn	26 – David Klarich	30 – Roseann Bentley	34 – Sidney Johnson
19 – Ken Jacob			

Note: See next page for St. Louis and Kansas City districts



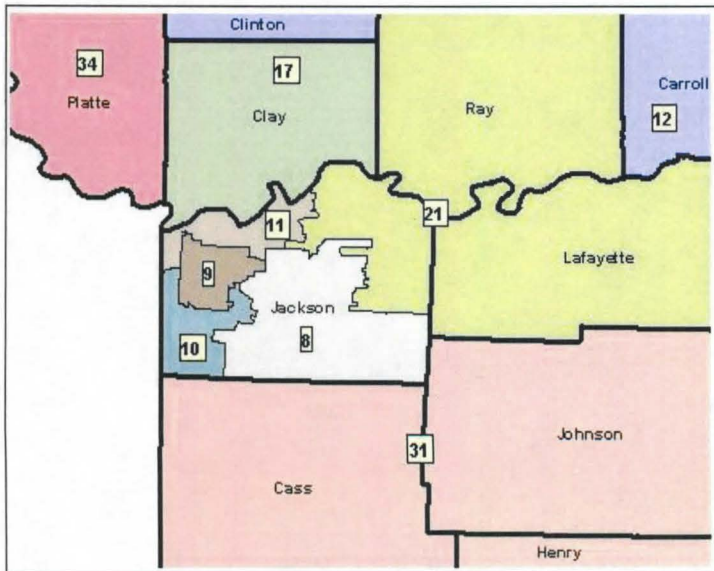
# Missouri Senatorial Districts



St. Louis

## St. Louis Senatorial Districts

- 1 – Anita Yeckel
- 2 – Ted House
- 3 – John Scott
- 4 – Pat Dougherty
- 5 – Paula Carter
- 7 – John Loudon
- 13 – Wayne Goode
- 14 – John Schneider
- 15 – Michael Gibbons
- 22 – Steve Stoll
- 23 – Chuck Gross
- 24 – Betty Sims



Kansas City

## Kansas City Senatorial Districts

- 8 – Bill Kenney
- 9 – Mary Bland
- 10 – Harry Wiggins
- 11 – Ronnie DePasco
- 17 – Ed Quick

**Missouri Senate  
Appropriations Committee and  
Staff Organization**

**President Pro Tem  
Peter Kinder**

**Senate Appropriations Committee**

**John T. Russell, Appropriations Committee Chair  
Larry Rohrbach, Vice-Chair**

**Wayne Goode  
Morris Westfall  
Paula Carter  
Betty Sims**

**Harry Wiggins  
Roseann Bentley  
Doyle Childers  
Stephen M. Stoll**

**Sidney Johnson  
Mary Groves Bland  
Chuck Gross  
Patrick Dougherty**

**Senate Appropriations Committee Staff**

**Marty Drewel, Director  
General Assembly  
Office of Administration  
Public Debt  
Elected Officials  
Judiciary – Public Defender**

**Walter Fischer  
Public Safety  
Corrections  
Hwy. & Trans.**

**Paul Wagner  
Revenue  
Elem. & Sec. Ed.  
Higher Education**

**Lora Nelson  
Social Services**

**Angie Giddings  
Health  
Mental Health**

**Brent McGinty  
Agriculture  
Conservation  
Natural Resources  
Economic Development  
Labor & Ind. Relations  
Insurance**

## **DEPARTMENTAL ASSIGNMENTS FOR FY 2002 APPROPRIATIONS BILLS**

House Bill 1	Public Debt
House Bill 2	Department of Elementary and Secondary Education
House Bill 3	Department of Higher Education
House Bill 4	Department of Revenue Department of Transportation
House Bill 5	Office of Administration
House Bill 6	Department of Agriculture Department of Conservation Department of Natural Resources
House Bill 7	Department of Economic Development Department of Labor and Industrial Relations Department of Insurance
House Bill 8	Department of Public Safety
House Bill 9	Department of Corrections
House Bill 10	Department of Mental Health Department of Health
House Bill 11	Department of Social Services
House Bill 12	Statewide Elected Officials Judiciary and Public Defender General Assembly
House Bill 13	Leasing* – All Departments
House Bill 14	Healthy Families Trust Fund (Tobacco Funds) – All Departments
House Bill 15	FY 2001 Supplemental – All Departments
House Bill 16	Reappropriations - Operating
House Bill 17	Reappropriations – Capital Improvements
House Bill 18	Capital Improvements* – Maintenance and Repair
House Bill 19	Capital Improvements* – New Construction

\* Biennial budget for FY 2002 - 2003



# BUDGET PROCESS OVERVIEW

## STATE OF MISSOURI

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### **I. Department Budget Preparation**

- A. State agencies prepare budget requests during summer and fall for the following fiscal year in accordance with guidelines issued by the Office of Administration's Division of Budget and Planning.
- B. Budget requests are submitted to OA-Budget and Planning by October 1. Copies are submitted to the legislature at the same time.

### **II. Governor Recommends Executive Budget**

- A. After analysis by OA-Budget and Planning, the Executive Budget is published in mid-January.
- B. Governor gives State of the State and Budget Message to a Joint Session of the Legislature in the first few weeks of the legislative session in January.
- C. Appropriations Bills, the first twenty House Bills, are introduced by the Chairman of the House Budget Committee to reflect the Governor's recommended budget.

### **III. House Appropriations Committees Operating Budget Hearings**

- A. After introduction, Appropriations Bills are referred to the House Budget Committee for assignment to the appropriate House Appropriations Committee.
- B. Each House Appropriations Committee (General Administration and Transportation, Education and Public Safety, Natural and Economic Resources, Health and Mental Health, and Social Services and Corrections) holds budget hearings in late January or early February for agencies to testify on their budget requests and the Governor's recommendations.

### **IV. House Action on Emergency and Supplemental Appropriations**

- A. House Budget Committee conducts hearings on emergency and supplemental requests for the current year early in the session. Emergency and supplemental appropriations are for unforeseen changes in circumstance in the current fiscal year. The legislature takes action only on the requests recommended by the Governor.
- B. House Budget Committee "marks-up" emergency and supplemental appropriation bills and sends House Committee Substitutes to the full House for action.

**V. House Appropriations Committee Operating Budget Recommendations**

- A. House Appropriations Committees “mark-up” the operating budgets and staff prepares House Committee Substitute bills to reflect the committee recommendations.
- B. House Appropriations Committee Chairmen present recommendations to the House Budget Committee.

**VI. House Budget Committee Acts on Operating Budget**

- A. House Budget Committee either accepts House Appropriations Committee recommendations, alters the recommendations, or rejects the recommendations with instructions for the House Appropriations Committee to reconsider the proposed budget.
- B. House Committee Substitute Appropriations bills as approved by the House Budget Committee are sent to the full House or Representatives with a committee recommendation.

**VII. House Floor Action on Operating Budget**

- A. All appropriations bills for the operating budget are brought before the House of Representatives.
- B. House Committee Substitute (or House Substitute) bills as perfected by amendment and floor vote are sent to the Senate, usually with one-third of the session remaining.

**VIII. House Action on Capital Budget**

- A. House Budget Committee conducts hearing and “marks-up” capital budget for recommended House Committee Substitute Bills. The capital budget uses a biennial appropriations process for major, multiyear projects. During the second year of the biennium, funding is provided for critical projects not envisioned at the time of the adoption of the biennial budget.
- B. Full House passes House Committee Substitute (or House Substitute) bills and sends to the Senate.

**IX. Senate Appropriations Committee Operating Budget Hearings**

- A. Senate Appropriations Committee conducts budget hearings and reviews in late January.
- B. Senate Appropriations Committee “marks-up” operating budget, prepares recommendations, and staff prepares summaries of action for presentation to the full Senate.



**X. Senate Appropriations Committee Action**

- A. Senate Appropriations Committee conducts hearings and “marks-up” emergency and supplemental appropriations to prepare Senate Committee Substitute for House Committee Substitute appropriations bill on emergency and supplementals.
- B. Senate Appropriations Committee conducts hearings and “marks-up” capital budget for Senate Committee Substitute bills.

**XI. Senate Action on Appropriations**

- A. Full Senate either adopts Senate Committee Substitutes, amends Senate Committee Substitutes, or adopts Senate Substitute bills for appropriations on emergency and supplemental, operating, and capital budgets.
- B. The Senate returns the appropriation bills to the House of Representatives for acceptance or for the House to make a request for conference to settle differences.

**XII. Conference Committee(s) on Appropriations**

- A. Conference Committees, consisting of five (5) members from the House of Representatives and five (5) members from the Senate, meet to achieve compromises, settle differences and adopt Conference Committee Substitute appropriations bills.
- B. Conference Committee bills are then returned to the full House and Senate to be Truly Agreed to and Finally Passed.

**XIII. Governor’s Line-Item Veto**

- A. Truly Agreed To and Finally Passed appropriations bills are sent to the Governor for signature.
- B. Governor either signs an appropriations bill, vetoes entire bill, or line-item vetoes part or all of sections or lines in the bill. Appropriations for payment of principal and interest on public debt and appropriations for free public schools cannot be vetoed under the Missouri Constitution. The Governor must act before July 1 and on that date the appropriated moneys may be expended.



#### **XIV. Governor's Control Over Expenditure Rates**

- A. Governor controls the rate of expenditure against appropriations through the allotment process.
- B. An initial reserve plan is the statutorily required 3% withholding on appropriations to be expended upon approval of the Governor.
- C. Governor may further withhold funds to reduce expenditures below appropriations whenever actual revenues are less than estimates on which the appropriations are based.

#### **XV. Legislative Override of Governor's Veto**

- A. Legislature may override Governor's veto of bill or line-item by a two thirds majority in both the House and Senate during the following legislative veto session held in September.
- B. Process begins again.

## Calendar of Floor Action on Appropriation Bills 91<sup>st</sup> General Assembly, 1st Regular Session

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<b>January</b>	<b>3</b>	<b>91st General Assembly, 1st Regular Session begins</b>
	<b>30</b>	State of the State Address – Executive Budget presented
<b>February</b>	<b>7</b>	House Floor Action – Introduction of HB 1
	<b>13</b>	House Floor Action – Introduction of HBs 9; 11 - 14
	<b>14</b>	House Floor Action – Introduction of HBs 2 - 7; 10
	<b>21</b>	House Floor Action – Introduction of HB 8
	<b>27</b>	House Floor Action – Perfection of HB 15
<b>March</b>	<b>1</b>	House Floor Action – Third Reading HB 15 Senate Floor Action – Introduction of HB 15
	<b>12</b>	House Floor Action – Introduction HB 19
	<b>14</b>	House Floor Action – Introduction HB 18 House Floor Action – Perfection of HBs 1 - 12
	<b>15</b>	House Floor Action – Third Reading HBs 1 - 12 Senate Floor Action – Introduction of HBs 1 - 12
	<b>16-23</b>	<b>Spring Break</b>
	<b>27</b>	House Floor Action – Perfection of HB 15
	<b>28</b>	Senate Floor Action – Third Reading HB 15
<b>April</b>	<b>5</b>	House Floor Action – Perfection of HB 13
	<b>10</b>	House Floor Action – Perfection of HBs 18; 19
	<b>11</b>	House Floor Action – Third Reading HBs 13; 18; 19 Senate Floor Action – Introduction of HBs 13; 18; 19
	<b>18</b>	House/Senate Floor Action – TAFP HBs 1; 15 Senate Floor Action – Third Reading HBs 2-8
	<b>19</b>	House Floor Action – Introduction of HBs 16; 17
	<b>26</b>	Senate Floor Action – Perfection HBs 16; 17
	<b>30</b>	House Floor Action – Third Reading HBs 16; 17 Senate Floor Action – Introduction HBs 16; 17 Senate Floor Action – Third Reading HBs 9 – 12; 13; 18; 19
<b>May</b>	<b>7</b>	Senate Floor Action – Third Reading HBs 16; 17
	<b>8</b>	Senate Floor Action – Third Reading HB 14
	<b>9</b>	House/Senate Floor Action – TAFP HBs 2 - 8
	<b>10</b>	House/Senate Floor Action – TAFP HBs 9 – 14; 16 - 19
	<b>18</b>	<b>91st General Assembly, 1st Regular Session ends</b>

## GLOSSARY OF TERMS

<b>Career Ladder</b>	provides funds to supplement salaries of public school teachers participating in eligible “career ladder” programs. The ladder shall consist of three stages with the following supplements for qualifications for that range; Stage I, \$1,500; Stage II, \$3,000; Stage III, \$5,000.
<b>Core Funding</b>	the amount of funding that maintains the status quo of a department’s operation, encompassing personal service, expense and equipment, and program specific distributions.
<b>Equity Formula</b>	a “basic formula” payment amount which is intended to increase the equity of the entire state and local system for financing public schools.
<b>Foundation Formula</b>	calculation of payments to school districts totaling the <u>equity formula, deductions</u> ; (the prorated district entitlement supported by a combination of state and local revenues – the greater the wealth of the school district the greater the district’s share of funding); <u>categorical add-ons</u> (programs that are unique to each school district or programs for special needs students who are more costly to educate); <u>district apportionment</u> (the total of Line 1 (equity formula) minus Line 10 (total deductions) plus Line 14.
<b>Full Time Equivalent (FTE)</b>	a number that approximates the ratio between the number of state employees and hours that they work (e.g. one state employee working full-time equals 1 full-time equivalent, as does two state employees working half-time).
<b>Line 14 Funding</b>	provides funds in order to provide districts the additional educational services to At-Risk students, free & reduced lunch student count.
<b>Parents as Teachers</b>	provides funds to reimburse districts for their involvement in each of the four components of the Early Childhood Education/Parents As Teachers Act (SB 658, 82nd G.A., 2nd. Regular Session). There are two programs for parent education and screening: one for families with children birth to age three and the other for families with children ages three to five.